

tion of the United States abolishing polygamy; to the Committee on the Judiciary.

By Mr. LEVY: Petition of the Switchmen's Union of North America, protesting against the passage of the workmen's compensation bill; to the Committee on the Judiciary.

Also, petition of the Banana Buyers' Protective Association, New York, N. Y., protesting against the passage of the legislation placing an import tax on bananas; to the Committee on Ways and Means.

By Mr. LONERGAN: Petition of the Switchmen's Union of North America, favoring legislation to increase the force of safety-appliance inspectors on railroads; to the Committee on Interstate and Foreign Commerce.

SENATE.

FRIDAY, July 25, 1913.

Prayer by the Chaplain, Rev. Forrest J. Prettyman, D. D. The Journal of yesterday's proceedings was read and approved.

PETITIONS AND MEMORIALS.

The VICE PRESIDENT presented the memorial of Joseph H. Beall, of Boston, Mass., former president of the American Agricultural Association, relative to conditions existing in Mexico, which was referred to the Committee on Foreign Relations.

He also presented a petition from the National Civil Service Reform League, remonstrating against the adoption of paragraph O of section 2 of the pending tariff bill, relating to the collection of the income tax, which was ordered to lie on the table.

Mr. WEEKS presented a paper to accompany the bill (S. 1583) granting a pension to Sarah W. Loud, which was referred to the Committee on Pensions.

Mr. MCLEAN presented a resolution adopted by the Business Men's Association of Meriden, Conn., favoring a more efficient and businesslike administration of the Consular Service, which was referred to the Committee on Commerce.

Mr. CLAPP presented petitions of sundry citizens of Minneapolis, Minn., praying for the adoption of an amendment to the Constitution granting the right of suffrage to women, which were referred to the Committee on Woman Suffrage.

COLLECTION OF INCOME TAX.

Mr. STERLING. Mr. President, I send to the desk a communication from the National Civil Service Reform League, addressed to Members of the Senate and House of Representatives, in opposition to paragraph O of section 2 of the tariff bill, which I will ask to have read, and I shall then move that it lie on the table, to be taken up in connection with that paragraph of the bill when it is reached. I ask unanimous consent that it be read. I think its importance is such at this time that it ought to be read to the Senate, as well as printed in the RECORD.

The VICE PRESIDENT. Is there any objection? The Chair hears none, and the Secretary will read as requested.

The Secretary read as follows:

(Charles W. Elliot, president. Vice presidents: Edwin A. Alderman, Charlottesville, Va.; Charles J. Bonaparte, Baltimore; Joseph H. Choate, New York City; Harry A. Garfield, Williamstown, Mass.; George Gray, Wilmington, Del.; Arthur T. Hadley, Yale University; Seth Low, New York City; Franklin MacVeagh, Washington, D. C.; George A. Pope, Baltimore; Henry A. Richmond, Buffalo, N. Y.; Moorfield Storey, Boston; Thomas N. Strong, Portland, Oreg.; and Herbert Welsh, Philadelphia. Robert W. Belcher, secretary; A. S. Frissell, treasurer; Robert D. Jenks, chairman of council; George T. Keyes and Harry W. Marsh, assistant secretaries.)

NATIONAL CIVIL SERVICE REFORM LEAGUE,
OFFICES 79 WALL STREET,
New York, July 24, 1913.

Memorandum of the National Civil Service Reform League in opposition to paragraph O of section 2 of the tariff bill, H. R. 3321.

SPOILS RAID IN THE TARIFF BILL.

To the Members of the Senate and the House of Representatives:

The tariff bill, H. R. 3321, as introduced in the Senate provides for the employment for the period of two years of a large force of agents, inspectors, deputy collectors, etc., without complying with the provisions of the civil-service law. This provision is found in amendment O (pp. 207, 208, 209) appropriating \$1,200,000 for salaries and supplies required to enforce the income-tax law. The provision referred to in full is as follows:

"Provided, That for a period of two years from and after the passage of this act the force of agents, deputy collectors, and inspectors authorized by this section of this act shall be appointed by the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, and without compliance with the conditions prescribed by the act entitled 'An act to regulate and improve the civil service,' approved January 16, 1883, and amendments thereto, and with such compensation as the Commissioner of Internal Revenue may fix, with the approval of the Secretary of the Treasury, within the limitations herein prescribed: *Provided further*, That no person now in the classified service who shall be appointed an agent, deputy collector, or inspector shall lose his civil-service status because of such appointment."

We can find nowhere in the report of the Committee on Finance as printed in the CONGRESSIONAL RECORD any reasons stated why this large force should be recruited outside the civil-service law. The only excuse for such a provision would be inability on the part of the Civil Service Commission to supply an adequate force within a reasonable time; but we are informed by the commission that it has upon its registers a full complement of eligibles from whom selection could be made for these positions. In view of the lack of any necessity for going outside the eligible lists to make these appointments, this provision in the bill is a gross injustice to those who have taken the examinations and qualified for positions in accordance with the law and custom.

The number of clerks whose appointments are thus thrown open to political influences will run into the hundreds. Congress could continue their appointment by further legislation at the end of the two-year period and Senators and Representatives would be importuned by the force so appointed to grant an extension of employment or transfer to the classified service. There is no precedent for such a widespread exception since the days of the Spanish War other than the unnecessary and ill-advised provision in the sundry civil appropriation bill of last year allowing temporary appointments in the Pension Office for a period of one year. At the time of the Spanish War emergency and in the face of full lists of eligibles a large force was appointed without regard to the civil-service rules. Before the lapse of any considerable time it was shown that this force was distinctly inferior in capacity to the regular civil-service employees, yet by subsequent legislation they were covered into the classified service.

This proposed legislation is an attempt to secure patronage at the expense of the merit system and is contrary to the civil-service planks in the platforms of the three great parties. The plank in the Democratic platform favored the enforcement of the civil-service law to the end that "merit and ability should be the standard of appointment and promotion rather than service rendered to a political party." The Progressive Party went on record as in favor of "the enforcement of the civil-service law in letter and spirit," while the Republican Party "stands committed to the maintenance, extension, and enforcement of the civil-service law."

We therefore ask your assistance in preventing any such spoils raid as is proposed in the tariff bill and in upholding by your vote the principles of your party that the subordinate civil service should be absolutely withdrawn from politics. We sincerely hope that you will refuse to record your vote in favor of this particular provision of the tariff bill.

Very respectfully, yours,

ROBERT D. JENKS,
Chairman of the Council.
GEORGE T. KEYES,
Assistant Secretary.

Mr. STERLING. I move that the communication just read lie on the table.

The VICE PRESIDENT. It will be so ordered without any motion.

Mr. STERLING subsequently said: In presenting the communication this morning from the National Civil Service Reform League in regard to paragraph O of section 2 of the pending tariff bill, I omitted to make the request that the names at the head of the communication be printed in the RECORD. I ask unanimous consent to that effect.

The VICE PRESIDENT. Is there objection to printing the names of the officials referred to by the Senator from South Dakota?

Mr. SIMMONS. We can not hear on this side of the Chamber a word the Senator has said. I do not know what it is he desires to have printed.

The VICE PRESIDENT. The paper is a memorial from the National Civil Service Reform League with reference to certain features of the tariff bill, and the Senator from South Dakota has asked that the names of the officials may be printed with the document in the RECORD. Is there objection?

Mr. SIMMONS. I do not know what the communication is, but I shall not object.

The VICE PRESIDENT. The Chair hears no objection. The names will be printed in full as requested by the Senator from South Dakota.

STANDARD BARREL FOR FRUITS AND VEGETABLES.

Mr. CLAPP, from the Committee on Standards, Weights, and Measures, to which was referred the bill (S. 2269) to fix the standard barrel for fruits, vegetables, and other dry commodities, reported it with an amendment, and submitted a report (No. 89) thereon.

BILLS INTRODUCED.

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. SMOOT:

A bill (S. 2823) relating to the temporary filling of vacancies occurring in the offices of register and receiver of district land offices; to the Committee on Public Lands.

A bill (S. 2824) to amend an act entitled "An act to provide for the adjudication and payment of claims arising from Indian depredations," approved March 3, 1891; to the Committee on Indian Affairs.

A bill (S. 2825) granting an increase of pension to Harry Jones;

A bill (S. 2826) granting an increase of pension to Robert G. Sleater (with accompanying paper); and

A bill (S. 2827) granting an increase of pension to Sarah Ann Jones (with accompanying paper); to the Committee on Pensions.

By Mr. BRADLEY:

A bill (S. 2828) for the relief of the estate of Benjamin Gratz, deceased (with accompanying paper); to the Committee on Claims.

By Mr. WEEKS:

A bill (S. 2829) granting an increase of pension to Cornelius Curran; to the Committee on Pensions.

By Mr. TILLMAN:

A bill (S. 2830) making appropriation for the correction of the acoustics, by the Harper system, of the United States Naval Academy chapel and auditorium; to the Committee on Naval Affairs.

By Mr. WILLIAMS:

A bill (S. 2831) to establish a drainage fund and to provide for the reclamation of swamp and overflowed lands in certain States (with accompanying paper); to the Committee on Commerce.

AMENDMENT TO THE TARIFF BILL.

Mr. JONES submitted an amendment intended to be proposed by him to the bill (H. R. 3321) to reduce tariff duties and to provide revenue for the Government, and for other purposes, which was ordered to lie on the table and be printed.

THE TARIFF.

Mr. SIMMONS. I ask unanimous consent that the Senate proceed to the consideration of House bill 3321.

There being no objection, the Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 3321) to reduce tariff duties and to provide revenue for the Government, and for other purposes.

The VICE PRESIDENT. The Senator from California [Mr. WORKS] is entitled to the floor.

SUGAR.

Mr. WORKS. Mr. President, there is another important and growing industry in my State that will be stricken down by this bill if it becomes a law. It is that of manufacturing beet sugar. It is an industry not alone of the manufacturers of beet sugar. Thousands of acres of land in California are devoted to the raising of beets, and hundreds of farmers and farm hands and their families are dependent upon this industry for their living. Besides this, thousands of acres of land in the State, commonly known as alkali lands, that are practically worthless because of the alkali deposits they contain, are being reclaimed by the growing of beets upon them, and thereby made first-class lands and adding millions of dollars to the land values of the State and Nation. It is a peculiar fact, thoroughly demonstrated, that beets are the only crops that can be raised on such land and that they absorb and extract the alkali, thus permanently reclaiming it in a very short time. In this way the growing of beets is of the greatest value in the reclamation of the land in addition to the means of living it affords to the growers and the addition it supplies to one of the necessities of life, so regarded. The alleged experts who draw these tariff bills are most expert in concealing their real meaning. Schedule E, dealing with sugar, is a conspicuous example of the confusing circumlocution resorted to in providing for a tariff. It provides:

Sugars testing by the polariscope not above 75°, seventy-one one-hundredths of 1 per cent per pound, and for every additional degree shown by the polariscope test twenty-six one-thousandths of 1 cent per pound additional, and fraction of a degree in proportion.

I suppose a polariscope is an instrument designed to determine the degree of real or pure sugar in a substance imported as such. If that be so, every separate package of sugar imported, in whatever form, must, in order to comply with the law, be tested and tried out and the tariff imposed accordingly. I am informed by persons who know more about this question than I do, or probably ever will, that the Cuban sugar, which our people must compete with, is of about 96° pure, and on sugar of that degree the tariff proposed by the bill will amount to something less than 1 cent a pound. In order that the Senate may understand how important this industry is to my State I desire to submit for consideration some data showing to what extent it has been established in California. The following figures have been compiled and I think can be relied upon:

There are 11 beet-sugar factories in the State of California, having an aggregate daily slicing capacity of 13,500 tons. This does not include the factories at Corcoran and Visalia, which were not in operation last year, but it is understood will be reopened for the next campaign.

The aggregate cost of construction of these 11 factories, based on \$1,250 per ton of daily slicing capacity, is \$16,875,000, the total investment in plants, lands, and equipment being approximately \$20,000,000.

The aggregate length of all buildings is 23,345 feet. Figures for 10 factories show the following expenditures:

Acres of beets harvested	112,000
Tons of beets	1,037,000
Tons of sugar produced	168,000
Paid for beets	\$6,700,000
Paid for labor	3,900,000
Paid for railroad freights	1,800,000
Paid for fuel oil	500,000
Paid for lime rock	200,000
Paid for bags	400,000
Paid for other supplies	540,000

Total expenditures 1912..... 14,040,000

The total expenditures of these 11 factories since their erection, exclusive of the amounts invested in plants, lands, and equipment, is approximately \$104,379,000.

A fuller and more accurate understanding of the extent of the industry, the amount of money invested, and the benefits that have and should continue to accrue to the people of the State may be gained by an examination of the following tabulated statements relating separately to each of the 11 sugar manufactories in the State:

(Oxnard, Cal.; American Beet Sugar Co.; erected 1897-98; daily capacity, 3,000 tons of beets; equipped with American machinery.)

Size of main building, 120 by 401 feet; length of all buildings, 1,556 feet; area of beets grown by independent farmers in 1912, 15,561 acres; by the factory, 637 acres.

Partial disbursements since erection of factory.

Beets	\$15,000,000
Wage earners, office help, superintendents, managers, and officers	5,000,000
Freight on beets, sugar, and supplies	6,000,000
Fuel, lime rock, bags, coke, and all other supplies	4,000,000

(Chino, Cal.; American Beet Sugar Co.; erected 1891; daily capacity, 900 tons of beets; equipped with American and foreign machinery.)

Size of main building, 67 by 310 feet; length of all buildings, 1,525 feet; area of beets grown by independent farmers in 1912, 14,809 acres; by the factory, 1,800 acres.

Partial disbursements since erection of factory.

Beets	\$5,592,643.65
Wage earners, office help, superintendents, managers, and officers	2,725,000.00
Freight on beets, sugar, and supplies	2,250,000.00
Fuel, lime rock, bags, coke, and all other supplies	2,175,745.45

(Spreckels, Cal.; Spreckels Sugar Co.; erected 1899; daily capacity, 3,000 tons of beets; equipped with American and German machinery.)

Size of main building, 105 by 585 feet; length of all buildings, 7,741 feet; area of beets grown by independent farmers in 1912, 7,380 acres; by the factory, 7,429 acres.

(Los Alamitos Sugar Co., Los Alamitos, Cal.; erected 1897; daily capacity, 800 tons of beets; equipped with American machinery.)

Size of main building, 93 feet 9 inches by 261 feet; length of all buildings, 2,144 feet; area of beets grown by independent farmers in 1912, 10,432 acres; by the factory, 401 acres.

Approximate disbursements since erection of factory.

Beets	\$4,321,443.87
Wage earners, office help, superintendents, managers, and officers	1,208,100.92
Fuel, lime rock, bags, coke, and all other supplies	1,314,930.61
Experiments, insurance, brokerage, repairs, and all other items	290,613.48
Total	7,235,088.95

(Santa Ana Cooperative Sugar Co., Dyer, Cal.; erected 1912; daily capacity, 1,200 tons of beets; equipped with American machinery.)

Size of main building, 66 by 266 feet; length of all buildings, 971 feet; area of beets grown by 226 independent farmers in 1912, 9,061 acres; by the factory, none.

(Alameda Sugar Co., Alvarado, Cal.; erected 1870; daily capacity, 800 tons of beets; equipped with American machinery.)

Size of main building, 65 by 230 feet; length of all buildings, 3,043 feet; area of beets largely grown by the factory, 5,708 acres.

Partial disbursements since 1897.

Beets	\$3,284,580
Wage earners, office help, superintendents, managers, and officers	1,736,992
Freight on beets, sugar, and supplies	347,805
Fuel, lime rock, bags, coke, and all other supplies	845,315

(Southern California Sugar Co., Santa Ana, Cal.; erected 1909; daily capacity, 600 tons of beets; equipped with American machinery.)

Size of main building, 67 by 265 feet; length of all buildings, 1,184 feet; area of beets grown by independent farmers in 1912, 10,000 acres; by the factory, none.

Partial disbursements since erection of factory.

Beets	\$1,224,996.35
Wage earners, office help, superintendents, managers, and officers	307,000.00
Freight on beets, sugar, and supplies	309,900.00
Fuel, lime rock, bags, coke, and all other supplies	337,369.51

(Holly Sugar Co., Huntington Beach, Cal.; erected 1911; daily capacity, 1,000 tons of beets; equipped with American machinery.)

Size of main building, 65 by 260 feet; length of all buildings, 1,160 feet; area of beets grown by 300 independent farmers in 1912, 11,000 acres; by the factory, none.

Partial disbursements since erection of factory.

Beets	\$1,100,000
Wage earners, office help, superintendents, managers, and officers	225,000
Freight on beets, sugar, and supplies	300,000
Fuel, lime rock, bags, coke, and all other supplies	230,000

(Union Sugar Co., Betteravia, Cal.; erected 1898; daily capacity, 1,000 tons of beets; equipped with American machinery.)

Size of main building, 109 by 270 feet; length of all buildings, 3,043 feet; area of beets, largely grown by the factory, 5,708 acres.

Partial disbursements since erection of factory.

Beets, 1899-1912	\$4,697,379
Wage earners, office help, superintendents, managers, and officers	2,625,876
Freight on beets, sugar, and supplies	1,923,097
Fuel, lime rock, bags, coke, and all other supplies	1,120,038

(Hamilton City, Cal.; Sacramento Valley Sugar Co.; erected 1906; daily capacity, 700 tons of beets; equipped with American machinery.)

Size of main building, 62 by 250 feet; length of all buildings, 1,301 feet; area of beets largely grown by the factory, 1,510 acres.

Approximate disbursements since erection of factory.

Beets	\$1,350,000
Wage earners, office help, superintendents, managers, and officers	650,000
Freight on beets, sugar, and supplies	450,000
Fuel, lime rock, bags, coke, and all other supplies	425,000
Experiments, insurance, brokerage, repairs, and all other items	45,000

Total expenditures since date of erection..... 2,920,000

(Anaheim, Cal.; Anaheim Sugar Co.; erected 1910-11; daily capacity, 500 tons of beets; equipped with American machinery.)

Size of main building, 58 by 275 feet; length of all buildings, 1,155 feet; area of beets grown by independent farmers in 1912, 10,069 acres; by the factory, none.

Approximate disbursements since erection of factory.

Beets	\$653,575.09
Wage earners, office help, superintendents, managers, and officers	201,579.70
Freight on beets, sugar, and supplies	173,600.00
Fuel, lime rock, bags, coke, and all other supplies	194,200.00
Experiments, insurance, brokerage, repairs, and all other items	86,130.00

Total..... 1,309,084.79

I have this further statement from A. C. Bird, president of the Southern California Beet Sugar Growers' Association, which is worthy of careful consideration as coming, not from the manufacturer, but from the farmer who grows and sells the beets:

This development within a few years has demonstrated the fact that, unless confronted with unexpected difficulties, the United States will soon be able, through the growth of sugar beets, to supply its own demands, with some surplus sugar for exportation, while at present the United States is importing six-sevenths of the amount consumed. So far as I am personally concerned I do not favor or advocate high duties or a prohibitory tariff for the purpose of building up trusts or monopolies, and I believe this is the universal feeling of the members of the association, but we all believe that the real facts in the case of the sugar industry are widely misunderstood and that the insistent, growing demand all over the country for the removal of the duties on "trust goods," coupled with the overwhelming outcry against the high cost of living, may lead to wrong conclusions, harmful to beet-sugar States and beneficial to none, unless this subject is thoroughly investigated from all points of view and fully understood.

We are demonstrating the value of this industry to the soil, not only by greatly enhancing the value of the average soil under cultivation, but by making highly valuable soil heretofore regarded as useless. To illustrate by my own experience last season: In planting 75 acres to beets I included 9 acres I had not been able to raise anything on equal to the value of the seed because the soil was so strongly impregnated with alkali.

The average tonnage of that 9 acres was greater than the average of all the others, and the average sugar value was greater than the general average of the 66 acres. This experience has been general throughout this district, and large acreage is now being cultivated with good results that have heretofore been regarded as valueless. You can see just what this means for southern California and adjoining States. Furthermore, that which has been regarded as valueless, unproductive soil is being improved in its productiveness beyond anything that has been seen in this country, and other crops are being greatly increased by their rotation with sugar beets. These statements will be verified by the Agriculture Department, as shown by the investigations carried on in both the United States and Germany.

Finally, as to where the consumer comes in. If the cane-sugar people succeed in the removal of duties on raw sugar, the market in this country will be substantially in the hands of the cane-sugar refineries. There may be an interval of lower prices while they are giving the finishing touches to the beet people, but as soon as the last-named industry is wiped out the Sugar Trust (refiners) will effectively control the prices for all the millions of consumers in our country, having disposed of all the existing competition by the destruction of the great and growing sugar-beet industry as well as having given general agriculture a disastrous blow. So we hope when this question comes up for final disposition the friend of agriculture everywhere, and especially the friend of California, will put every possible obstacle in the way of reduction of the sugar duties until they are thoroughly convinced that it is a wise measure from all points. Please bear in mind

that in southern California the beet industry is the greatest one—save only citrus fruits—and that in a few years with the same protection the industry has had the last five years the beet interest will be the greatest of all.

T. B. Case, manager of Southern California Sugar Co., located at Santa Ana, Cal., furnishes, at my request, the following information as to the beet-sugar industry in the State:

We will utilize in our campaigns 100,000 acres planted to beets. Much of this soil, on account of its alkalinity, will not produce other profitable crops, and the first beet crops are not entirely satisfactory, but by continuous cropping the alkaline rankness is exhausted and the land becomes highly productive and valuable.

All the factories purchase their beets from actual growers. None, so far as I know, raises its own beets. The beets produced on the 100,000 acres will amount to 1,000,000 tons, or an average of 10 tons per acre, which is a conservative estimate for southern California. We pay the growers for these beets between \$6,000,000 and \$7,000,000. The ranchers who raise these beets pay to the farm laborers who care for the crop between two and two and one-half million dollars. We pay the railroads for transporting these beets to the factories \$500,000. We purchase and consume 500,000 barrels of oil, from which the railroads receive over \$100,000 more; also 100,000 tons of limestone, quarried in California, for which we pay \$175,000 to \$200,000, and for which the railroads receive another like amount. We use 30,000,000 bags, which are manufactured in California at a cost to the factories of \$360,000. For the purchase of the materials and supplies entering into the manufacture of our sugar we expend for the 150,000 tons about eleven and one-fourth million dollars, all of which goes to California labor, railroads, and material men, excepting coke, which we are compelled to purchase either in the East or from Europe landed in this country at the port of San Pedro.

For the transportation of our manufactured product to the market, the manufacturers pay to the railroads an additional one and one-half millions of dollars. All of the money received from the sale of our manufactured product, except for such as is consumed in our own State, is brought from the jobbing cities of the Missouri River and deposited in our home banks. The effect of the industry upon the community in which the factories are located is most beneficial. It begins at the foundation of society and pays to the common laborer remunerative wages, keeping him employed during the months which are ordinarily those of least activity. I have had experience in organizing and starting two beet-sugar factories, one in Michigan and one in California, and from my personal observation I have formed the opinion that there is no other industry which so beneficially affects the community where located. We pay to the farmers somewhere between 2 and 2½ cents a pound for the extracted sugar. We add to that, in labor and supplies, a little over a cent and a quarter, bringing the total cost up to approximately 3.65 cents a pound.

Sugar is produced in the Tropics from the cheap and filthy labor for a little less than what we pay the farmers for the extracted sugar. If that sugar is admitted free into the United States, as it can be introduced at a small profit for about what we pay the farmer, it will necessarily compel us either to purchase our beets at a lower price or drive us out of business. The latter is the more probable course, for the reason that our farmers must either be able to sell their beets at a reasonable profit or they will engage in other industries, and in this connection, they must make more money on their beets than they receive for other crops, for the reason that it is a crop that requires intense cultivation and care, entailing upon the farmer more cost and labor than he is compelled to expend on any other of his growing crops, not excepting the citrus fruit growers.

Here is another very brief statement showing the value of the industry to the State:

BEET-SUGAR INDUSTRY—THE DIRECT ECONOMIC VALUE OF THE BEET-SUGAR INDUSTRY TO THE STATE OF CALIFORNIA.

Factories.—Alameda Sugar Co., Alameda County; Anaheim Sugar Co., Orange County; American Beet Sugar Co., "Chino," San Bernardino County; American Beet Sugar Co., "Oxnard," Ventura County; Holly Sugar Co., Orange County; Los Alamitos Sugar Co., Orange County; Spreckels Sugar Co., Monterey County; Santa Ana Cooperative Sugar Co., Orange County; Southern California Sugar Co., Orange County; Sacramento Valley Sugar Co., Glenn County; Union Sugar Co., Santa Barbara County.

Local expenditures in 1912.

For beets (showing the total value of the crop to the farmers of the State)	\$6,701,582.82
For labor in factories and fields	3,939,165.01
For railroad freights	1,811,112.46
For fuel oil	503,789.90
For lime rock	211,169.09
For bags	391,504.93
For other supplies	542,598.11

Total	14,100,922.32
Acres harvested	112,003
Tons sugar beets grown (2,000 pounds)	1,037,499
Tons of sugar produced (2,000 pounds)	168,765
Total investment in factories, land, and equipment	\$19,904,823.21

(N. B.—The above statistics have been accurately compiled by the Pacific Slope Beet Sugar Association.)

I have also this very clear statement of conditions from the Anaheim Sugar Co., showing particularly the advantages of the industry to the people of the State of California:

Believing, as we do, that you will oppose any change in the sugar tariff which you can be convinced is against the interests of your State, we take the liberty of giving you a few figures, the correctness of which can be easily verified by an examination of our books:

We paid the farmers last year per ton of beets testing 20 per cent sugar	\$6.75
Our average freight rate per ton of beets to the factory was	.508
Expense of field men—making contracts and instructing farmers in growing beets—per ton of beets	.121
Expense of loading beets in cars at dumps per ton	.102

Making a total cost per ton f. o. b. factory of..... 7.481

It is generally figured that a 75 per cent extraction of the sugar is good work, which would mean 300 pounds of sugar out of the 400

pounds in the beets, from which it will be seen that we pay for the beets delivered an equivalent of \$2.49 per hundred pounds of extractable sugar, and, in addition to this, must bear the cost of extraction, of which labor at American rates is one of the principal items.

In the way of comparison, raw sugar delivered in New York to-day from Cuba is selling at \$3.45 per hundred pounds, and without the duty of \$1.348 would be equal to \$2.102 per hundred pounds. Therefore we start with raw material in the way of beets at \$2.49 per hundred pounds of sugar, while the refiners in the East start with raw cane sugar at \$2.102 per hundred pounds, and the factory cost of producing refined sugar from beets is at least double the cost of refining raw cane sugar. This should prove that a free-sugar bill at any time would destroy the beet-sugar industry and give the cane refiners absolute command of the production of this commodity and the regulation of prices.

In the interest of the farmer, laborer, and others in California engaged in this industry outside of the sugar factories, we wish to say that during the year 1912 this State produced 3,173,630 bags of beet sugar, and there was disbursed for beets, fuel oil, labor, etc., approximately \$12,000,000, while the production of the same number of bags of refined sugar by refining raw cane sugar would mean in comparison a distribution of not much over one-sixth of this amount.

Our auditor's cost sheet for the year 1912, copy of which we will be glad to file with you, shows that after crediting the by-products, consisting of dried beet pulp and molasses, our sugar costs us at the factory \$3.88 net per 100 pounds. This cost would be increased provided we are not able to dispose of the molasses at the inventory price of \$10 per ton.

Mr. President, it is unnecessary to speculate about the result to the beet-sugar industry in my State if the proposed legislation goes into effect. It is possible that under a tariff of 1 cent a pound the industry might struggle along, but the growth of it would be effectually brought to an end, and the farmers, the people above all others who should be protected, will be made to suffer the whole loss under such a tariff in the reduced price at which they will be able to sell the beets, or the laborers will suffer from reduced and inadequate wages, or both. Neither the prices for the products nor the wages paid can compete with prices or wages in the Tropics. It may be taken as certain that it will not be the manufacturers that will suffer, but the farmer and the laborer. This would undoubtedly be the effect of a reduction such as is proposed.

But, sir, the bill goes further than this. It provides for sugar going on the free list at the end of three years. This simply means the extinction of the sugar industry in my State. Our people can not compete with Cuba, for example, and live. So the question is a very simple one. Does Congress believe it to be to the best interest of the country to completely destroy one of its chief and growing industries in California and other States for the slender hope that by such a course the price of sugar to the consumer may be reduced? I am afraid that this proposed legislation is not founded on any such belief. The people of this country have been made to believe that tariffs should be reduced. So they should. But on what? On the products that are over or unnecessarily protected from foreign competition. On some manufactured articles from which manufacturers are growing offensively rich. Not on the products of the soil, upon the production of which the farmers of the country depend for a living. The trouble is that this bill does not undertake an intelligent and fair regulation and readjustment of the tariff in such way as to remedy the evils resulting from former ill-adjusted and burdensome tariff legislation. I am afraid it is done with the view of securing public favor and votes from the people who are justly crying out for a reduction of the tariff without knowing where and on what articles reductions should be made in the public interest. Reductions are made on farm products on the specious and appealing ground that it will result in a lowering of prices for the ordinary and common necessities of life. But unfortunately these are the very things, in the main, that come from the soil and benefit the millions of our people engaged in farming and farm labor. By opening the common necessities of life to foreign competition we are taking these necessities from the mouths and the backs of the very people in this country who most need the protection of their industry and their living. No party that reduces the tariff in any such way and upon such articles will long continue in power. It must find some more scientific and just method than this of regulating the tariff.

If that is what the pledge of the Democratic Party to reduce the tariff really means, the pledge had better never have been made. I do not believe it means any such thing. To misconstrue it as a license of the people to establish free trade or to take away from the farmers and laboring men of the country the protection they need and should have is a cruel misconstruction of the pledge that will bring swift and condign punishment from the people at the polls. I regret that the attempt to regulate the evils of excessive tariff rates should have taken this form. The attempt to regulate and reduce the tariff is worthy of commendation if only it is done with a sincere purpose to better the condition of the people, but woe to the party that seeks to make it a means of political gain or advantage.

But, sir, the claim is made that the sugar manufacturers are, under the existing tariff rates, making inordinately large profits. I have tried to ascertain the facts as to this claim as it applies to the various industries in my State and to be governed by those facts. Perhaps the sugar-beet growers and sugar manufacturers of California are in better condition to withstand a reduction in the tariff than any other State because of the fertility of its lands, their adaptability to the growth of sugar beets, and the higher quality of the beets grown in respect of the amount of sugar they contain. If the California industry will be seriously injured by the proposed reduction on sugar, it will be destroyed completely in other States where sugar-beet culture and the manufacture of sugar therefrom are becoming important factors in the progress of those States where the beets can be grown. At Oxnard, Cal., is one of the large manufacturing of the State. The land in that section is peculiarly adapted to the growth of sugar beets of the highest quality. The percentage of sugar in the beets grown there is as high or higher than anywhere else in this country and the conditions for the manufacture of sugar are peculiarly favorable; and yet the profits resulting from the manufacture of sugar under such favorable conditions are not unreasonable under the existing tariff. I have here a statement of the different plants of the American Beet Sugar Co., showing their capacities, amount invested in the construction of the plants, cost of production of sugar and the profits realized, the effect on the industry of certain reductions in the tariff, the comparative investments necessary to carry on the business in this and other countries, wages paid, the comparative extractions of sugar from the beets in the several countries engaged in the business, and the total cost of production of sugar in each.

The statement is as follows:

AMERICAN BEET SUGAR CO.

The six plants of the American Beet Sugar Co. have a daily slicing capacity as follows:

	Tons.
Oxnard, Cal.....	3,000
Chino, Cal.....	900
Rocky Ford, Colo.....	1,500
Lamar, Colo.....	400
Las Animas, Colo.....	700
Grand Island, Nebr.....	350
Total.....	6,850

The actual investment in factories, working capital, etc., exclusive of lands, is approximately \$11,500,000; but the usual basis of figuring the cost of erecting factories is \$1,250 per ton of daily slicing capacity, which would make the actual construction cost of these six plants \$8,562,500, allowing nothing for working capital, lands, etc.

Referring to the statement of the American Beet Sugar Co. on page 2306 of the hearings before the Committee on Ways and Means, it will be seen that during the seven years 1906-7 to 1912-13 the company produced 10,012,343 bags of sugar, or an average of 1,430,334 bags per year, and that the average net receipts per bag after deducting expenses were 77 cents, which would make \$7,709,504 profit for the seven years, or \$1,101,357 per year, which is equal to 9.57 per cent return on the capital invested, exclusive of that invested in lands.

The following tabulation shows what the company would be able to earn under various reductions of the tariff, predicated upon the wholesale price of sugar being lowered in exact proportion as the tariff was lowered: Present duty on refined sugar \$1.90, affording a profit of 77 cents per 100 pounds, or \$1,101,357, which is equal to 9.57 per cent on the capital invested, exclusive of that invested in lands.

The Lodge-Bristow amendment lowered the duty on refined sugar 30 cents per 100 pounds, or to \$1.60 per 100 pounds. Under this reduction the company's profits would have been 47 cents per 100 pounds, or \$672,257 per annum, which is equal to 5.85 per cent on the capital invested, exclusive of that invested in lands.

A reduction of 25 per cent in the present rate of duty would bring the duty from \$1.90 to \$1.425 per 100 pounds, thus reducing the profit from 77 cents to 29.5 cents per 100 pounds, or \$421,948 per year, which is equal to 3.67 per cent on the capital invested, exclusive of that invested in lands.

A reduction of 33½ per cent would reduce the duty from \$1.90 to \$1.267 per 100 pounds, thus reducing the profits from 77 cents to 13.7 cents per 100 pounds, or \$195,955 per annum, which is equal to 1.70 per cent on the capital invested, exclusive of that invested in lands.

A reduction of 50 per cent would reduce the duty from \$1.90 to 95 cents per 100 pounds, thus eliminating the 77 cents profit and creating a loss of 18 cents per bag, or \$257,460 per year. Free sugar would create a loss of \$1.90 less 77 cents, or \$1.13 per bag, amounting to a total loss of \$1,616,278 per annum on a product of 1,430,334 bags.

COST OF PRODUCING SUGAR IN THE UNITED STATES AND IN EUROPEAN SUGAR EXPORTING COUNTRIES.

The difference in the cost of producing sugar in the United States and in Europe can be grouped under three general heads:

- (1) Cost of plants.
- (2) Cost of labor.
- (3) Cost of beets.

The cost of a given size factory in Europe is about 50 per cent of what it is in the United States, and investment account is correspondingly small.

The average factory wage is 69.9 cents per day as compared with an average factory wage of \$2.99 in the United States. The following table shows the difference in cost of sugar in the beet in the United States and Europe. The extraction in European countries is from official figures, as is also the price of beets, except in Russia and Belgium, for which official figures are not available. The extraction in all countries is on the basis of raw sugar.

	Extraction per ton of beets (pounds).	Cost of beets per 2,000- pound ton.	Cost of sugar in beet per 100 pounds.	Difference.
1911-12.				
United States.....	263.16	\$6.13	\$2.33
Germany.....	327.15	4.86	1.49	\$0.84
Russia.....	307.14	3.75	1.22	1.11
Austria-Hungary.....	293.77	4.37	1.49	.84
France.....	248.19	4.86	1.96	.37
Belgium.....	296.52	4.24	1.43	.90
Netherlands.....	292.18	4.56	1.56	.77

On page 5 of the Underwood report, the cost of producing sugar in Germany is placed at \$1.96 to \$2.07 per 100 pounds, and on page 6 the cost of producing beet-sugar in the largest factories of the United States is given as "not to exceed 3.54 cents per pound," a difference of 1.47 to 1.58 cents per pound in favor of Germany.

In addition to this I have the statement of the American Beet Sugar Co., in tabulated form, showing every item of cost of production and marketing of sugar and the gross and net receipts of all of its plants combined. This statement is as follows:

Statement of the American Beet Sugar Co.—Cost of sugar from Apr. 1, 1906, to Mar. 31, 1913.

ALL FACTORIES.

[Paragraphs 216-219.—Beet sugar.]

	1906-7	1907-8	1908-9	1909-10
Tons of beets sliced....	549,947	470,081	374,620	472,106
Average sugar test....	15.54	15.83	16.64	16.62
Sugar extraction per ton of beets.....	263.74	276.37	290.09	292.04
Average price of beets.	\$5.50	\$5.86	\$5.66	\$5.83
COST OF MANUFACTURE.				
Cost of raw material...	\$3,026,977.83	\$2,615,542.18	\$2,118,905.76	\$2,754,461.71
Factory cost, less value of by-products.....	1,935,572.05	1,687,862.54	1,356,252.62	1,743,734.80
Overhead or adminis- trative charges.....	138,265.54	158,981.45	175,961.66	177,266.36
Taxes and insurance...	54,324.28	58,514.38	65,154.27	59,843.98
Total.....	5,185,139.70	4,520,900.55	3,716,264.31	4,735,266.85
Bags of sugar produced	1,450,411	1,299,182	1,086,777	1,378,739
Cost per bag.....	\$3.55	\$3.48	\$3.42	\$3.43
OTHER EXPENSES.				
Selling.....	\$569,696.05	\$824,053.15	\$828,835.84	\$739,502.47
Interest paid on bor- rowed money.....	314,441.16	301,430.88	189,617.60	100,203.56
Depreciation at 6 per cent per annum.....	326,642.71	330,888.14	235,405.64	347,509.79
Total cost to pro- duce and sell sugar.....	6,365,919.62	5,976,972.72	5,070,213.39	5,922,522.67
Total cost per bag to produce and sell sugar.....	4.30	4.60	4.07	4.30
SALE OF SUGAR.				
Gross receipts from sugar sold.....	4,553,214.25	7,402,270.46	6,915,533.59	6,776,775.97
Gross receipts per bag from sugar sold.....	4.78	4.78	5.14	5.09
Net receipts per bag from sugar sold.....	.39	.18	.47	.79
	1910-11	1911-12	1912-13	Total.
Tons of beets sliced....	498,955	498,078	509,212	3,373,008
Average sugar test....	17.00	17.59	18.11	18.85
Sugar extraction per ton of beets.....	315.76	313.80	325.76	296.84
Average price of beets.	\$6.25	\$6.46	\$7.16	\$6.08
COST OF MANUFACTURE.				
Cost of raw material...	\$3,117,972.82	\$3,219,223.46	\$3,647,160.68	\$20,500,244.44
Factory cost, less value of by-products.....	1,716,642.27	1,853,024.66	1,855,998.13	12,179,087.07
Overhead or adminis- trative charges.....	187,269.72	192,742.42	261,780.80	1,292,258.95
Taxes and insurance...	64,746.99	98,015.87	98,417.03	499,016.80
Total.....	5,086,631.80	5,363,067.41	5,863,356.64	34,470,607.26
Bags of sugar produced.	1,575,480	1,562,949	1,658,805	10,012,343
Cost per bag.....	\$3.23	\$3.45	\$3.53	\$3.44

Statement of the American Beet Sugar Co.—Cost of sugar from Apr. 1, 1906, to Mar. 31, 1913—Continued.

ALL FACTORIES—continued.

	1910-11	1911-12	1912-13	Total.
OTHER EXPENSES.				
Selling.....	\$934,159.68	\$969,536.82	\$1,080,046.84	\$5,945,830.85
Interest paid on bor- rowed money.....	46,158.98	1,482.11	48,845.54	1,002,179.83
Depreciation at 6 per cent per annum.....	358,125.59	364,449.34	317,319.66	2,380,130.77
Total cost to pro- duce and sell sugar.....	6,425,076.05	6,728,475.68	7,309,568.68	43,798,748.81
Total cost per bag to produce and sell sugar.....	4.08	4.30	4.41	4.37
SALE OF SUGAR.				
Gross receipts from sugar sold.....	8,172,856.98	8,745,242.83	8,875,696.50	51,441,590.38
Gross receipts per bag from sugar sold.....	5.06	5.32	4.95	5.14
Net receipts per bag from sugar sold.....	.98	1.02	.54	.77

I also submit for the information of the Senate a separate statement of a like kind, covering only the business of the plant at Oxnard, Cal., as follows:

OXNARD FACTORY, OXNARD, CAL.

	1906-7	1907-8	1908-9	1909-10
Tons of beets sliced....	201,333	134,722	174,444	235,663
Average sugar test....	17.25	17.74	18.56	18.03
Sugar extraction per ton of beets.....	298.71	321.82	332.73	323.46
Average price of beets.	\$5.49	\$5.78	\$6.01	\$6.11
COST OF MANUFACTURE.				
Cost of raw material...	\$1,106,073.59	\$779,090.78	\$1,049,272.07	\$1,440,745.04
Factory cost, less value of by-products.....	698,400.86	533,544.16	558,913.26	772,997.94
Overhead or adminis- trative charges.....	62,219.49	60,412.95	66,861.63	67,361.22
Taxes and insurance...	19,443.27	20,295.34	17,580.24	14,090.16
Total.....	1,886,137.21	1,393,343.23	1,692,627.20	2,295,194.36
Bags of sugar produced.	601,410	433,570	580,420	762,295
Cost per bag.....	\$3.14	\$3.21	\$2.92	\$3.01
OTHER EXPENSES.				
Selling.....	\$275,825.42	\$376,629.54	\$486,231.39	\$468,981.54
Interest paid on bor- rowed money.....	141,498.52	114,543.73	72,054.69	38,077.35
Depreciation at 6 per cent per annum.....	138,343.75	135,289.75	139,275.92	146,670.95
Total cost to pro- duce and sell sugar.....	2,441,994.90	2,022,206.26	2,387,189.20	2,948,874.20
Total cost per bag to produce and sell sugar	4.06	4.66	4.11	3.87
SALE OF SUGAR.				
Gross receipts from sugar sold.....	1,661,926.70	2,686,016.58	3,626,646.27	3,815,832.89
Gross receipts per bag from sugar sold.....	4.90	4.72	5.13	5.03
Net receipts per bag from sugar sold.....	.84	.06	1.02	1.16
	1910-11	1911-12	1912-13	Total.
Tons of beets sliced....	286,908	279,008	211,923	1,524,001
Average sugar test....	18.90	19.30	19.74	18.00
Sugar extraction per ton of beets.....	341.34	347.81	371.56	335.62
Average price of beets.	\$6.51	\$6.67	\$7.62	\$6.38
COST OF MANUFACTURE.				
Cost of raw material...	\$1,868,338.29	\$1,861,116.53	\$1,614,986.27	\$9,719,622.57
Factory cost, less value of by-products.....	800,845.02	878,974.66	714,044.27	4,957,720.16
Overhead or adminis- trative charges.....	71,162.49	73,242.51	99,476.70	500,736.99
Taxes and insurance...	16,331.46	28,396.14	28,675.83	144,812.44
Total.....	2,756,677.26	2,841,729.83	2,457,183.07	15,322,892.16
Bags of sugar produced.	979,320	970,400	787,416	5,114,831
Cost per bag.....	\$2.81	\$2.93	\$3.12	\$3.00

Statement of the American Beet Sugar Co.—Cost of sugar from Apr. 1, 1906, to Mar. 31, 1913—Continued.

OXNARD FACTORY, OXNARD, CAL.—continued.

	1910-11	1911-12	1912-13	Total.
OTHER EXPENSES.				
Selling.....	\$631,620.81	\$643,733.83	\$607,388.97	\$3,486,761.50
Interest paid on borrowed money.....	17,540.41	563.20	18,561.30	402,839.20
Depreciation at 6 per cent per annum.....	152,050.94	158,703.47	137,314.94	1,010,649.72
Total cost to produce and sell sugar.....	3,557,889.42	3,644,730.33	3,220,448.28	20,223,142.58
Total cost per bag to produce and sell sugar.....	3.63	3.76	4.09	3.95
SALE OF SUGAR.				
Gross receipts from sugar sold.....	4,917,780.46	5,175,082.74	4,194,619.20	26,077,895.84
Gross receipts per bag from sugar sold.....	5.03	5.34	4.95	5.10
Net receipts per bag from sugar sold.....	1.40	1.58	.86	1.15

It will be seen that the actual net profit to the company, as shown by this statement, the accuracy of which I have no reason to doubt, taking all its plants into consideration, was 77 cents per bag of 100 pounds. As I have pointed out, the conditions in Oxnard are more favorable than, perhaps, in any other locality. There the net profit per bag was 86 cents.

Mr. President, I have included in my remarks a short extract from some remarks of mine made in the Senate at an earlier day, which I ask to be allowed to include without reading, as it is already in the RECORD.

The VICE PRESIDENT. If there is no objection, the matter will be included. The Chair hears none.

The matter referred to is as follows:

"Since this came into the Senate there has come into my hands a printed pamphlet entitled 'Cost of Producing Sugar in the United States, Germany, Austria-Hungary, Russia, and Cuba.' The compilation is by Mr. Truman G. Palmer, who, as is well known, has given great attention to this subject. In a brief way I wish to call attention to some of the information contained in the pamphlet.

"On page 6 this statement appears:

"The average price paid to farmers for beets in the United States, as given in the April issue of the Crop Reporter, issued by the Department of Agriculture, was \$5.50 per ton in 1911 and \$5.82 per ton in 1912. Direct reports from 65 factories show an average freight charge on beets paid by the factories of 43 cents per ton in 1911, 45 cents in 1912, and 41 cents per ton for agricultural expenses in 1911, 38 cents for 1912.

"Thus the average cost of beets laid down at the factory gates in the United States was \$6.34 per ton in 1911 and \$6.65 in 1912.

"Then follows a tabulated statement of the farmers' receipts for raw material. It shows that the farm price per ton of 2,000 pounds is, in the United States, \$5.82; Russia, \$3.90; Austria-Hungary, \$3.68; and Germany, \$4.14; and the average extraction of the beets is in favor of the European countries. In the United States it is 274.57; it is 316.98 in Russia; in Austria-Hungary, 315.20; in Germany, 328.30; and the average farm cost of 100 pounds of sugar is, in the United States, \$2.12; in Russia, \$1.23; in Austria-Hungary, \$1.16; and in Germany, \$1.26.

"The table is as follows:

Farmers' receipts for raw material.

	Farm price of beets per 2,000-pound ton.	Average extraction of raw sugar per 2,000-ton of beets, 1907-1911.	Average farm cost of 100 pounds of sugar in the beet.	United States farm cost per 100 pounds of raw sugar in the beet in excess of cost in other countries.
United States.....	\$5.82	274.57	\$2.12	
Russia.....	3.90	316.98	1.23	\$0.89
Austria-Hungary.....	3.68	315.20	1.16	.96
Germany.....	4.14	328.30	1.26	.86

"In another table following this is another statement that should be of interest in determining the question as to the rate of tariff to be imposed upon sugar or whether it shall be placed upon the free list. It gives the cost of beets per ton, the average extraction of raw sugar per ton of beets from 1907

to 1911, the average cost of 100 pounds of raw sugar in the beet, and the United States cost per hundred pounds of raw sugar in the beet in excess of cost of other countries.

"The matter referred to is as follows:

Factory cost of raw material.

	Cost of beets per 2,000-pound ton.	Average extraction of raw sugar per ton of beets, 1907-1911.	Average cost of 100 pounds of raw sugar in the beet.	United States cost per 100 pounds of raw sugar in the beet in excess of cost in other countries.
UNITED STATES.				
Average price paid farmers in 1912.....	\$5.82			
Average freight paid by factories.....	.45			
Average agricultural expense incurred by factories.....	.38			
Total per ton.....	\$6.65	Pounds. 274.57	\$2.42	
RUSSIA.				
Average price paid for beets in 1911.....	\$3.90			
Assuming for freight as in Austria.....	.20			
Total per ton.....	4.10	316.98	1.29	\$1.13
AUSTRIA-HUNGARY.				
Bohemia, 1913 contract price at receiving stations.....	\$3.68			
Contract price delivered at factory.....	3.88	315.20	1.23	1.19
GERMANY.				
Average cost, purchase beets, 1904 to 1910.....	\$4.44			
North Germany, average 1913 contract price purchase beets, delivered at factory gates.....	4.34	328.30	1.32	1.10

"Then follows another table, entitled 'Factory cost of raw material by States.' This table very clearly shows the difference in the amount paid by the State of California as compared with other States. The average cost of beets per ton laid down at the factory is stated as follows: California, \$7.29; Utah and Idaho, \$5.80; Colorado, \$6.79; Michigan, \$6.52; Ohio, Indiana, Illinois, and Wisconsin, \$6.43; and other States, \$6.64.

"The amount of raw sugar extracted per ton of beets is in California, 324.93; Utah and Idaho, 282.03; Colorado, 280.80; Michigan, 263.37; Ohio and the other States named, 269.93; and other States, 260.74.

"The cost per hundred pounds of extractable raw sugar in the beet is in California, \$2.24; Utah and Idaho, \$2.05; Colorado, \$2.42; Michigan, \$2.48; Ohio and the other States named, \$2.46; and other States grouped, \$2.55, as shown by the following table:

Factory cost of raw material by States.

	Average cost of beets per ton, laid down at factory, 1912.	Pounds of raw sugar extracted per ton of beets, 1907-1911.	Cost of 100 pounds of extractable raw sugar in the beet.
California.....	\$7.29	324.93	\$2.24
Utah and Idaho.....	5.80	282.03	2.05
Colorado.....	6.79	280.80	2.42
Michigan.....	6.52	263.37	2.48
Ohio, Indiana, Illinois, and Wisconsin.....	6.43	269.93	2.46
Other States.....	6.64	260.74	2.55

¹ Based on 100 pounds of raw being equal to 90 pounds of refined sugar.

"There is another interesting table giving the gross return to farmers per acre. Without reading the whole of it, it shows returns in Russia per acre, at \$3.90 per ton, \$27.79; Austria-Hungary, \$3.68 per ton, \$42.21; Germany, at \$4.14 per ton, \$55.35; and the United States, at \$5.82 per ton, \$58.95, as follows:

Gross returns to farmers per acre.

Russia, 7.126 tons per acre, at \$3.90 per ton.....	\$27.79
Austria-Hungary, 11.47 tons per acre, at \$3.68 per ton.....	42.21
Germany, 13.37 tons per acre, at \$4.14 per ton.....	55.35
United States, 10.13 tons per acre, at \$5.82 per ton.....	58.95

"There is still another table that should be taken into account. It shows the tons of beets per acre, the price paid, and the gross returns per acre. It shows that California grows 10.37 tons per acre; Utah and Idaho, 11.32; Colorado, 10.64; Michigan, 8.58; Wisconsin, 10.02; and other States, 9.07.

"The price paid to the farmers per ton for beets in 1912 was: California, \$6.46; Utah and Idaho, \$4.97; Colorado, \$5.96; Michigan, \$5.69; Wisconsin, \$5.60; and other States, \$5.81, as shown by the following table:

	Beets per acre, 1907-1911.	Price paid to farmers per ton for beets in 1912.	Gross re- turns per acre.
	<i>Tons.</i>		
California.....	10.37	\$6.46	\$66.99
Utah and Idaho.....	11.32	4.97	62.57
Colorado.....	10.64	5.96	63.41
Michigan.....	8.58	5.69	48.82
Wisconsin.....	10.02	5.60	56.11
Other States.....	9.07	5.81	52.69

¹ Under new classification by Department of Agriculture this is the average price paid in Wisconsin, Indiana, Ohio, and Illinois.

"It will be seen, Mr. President, that in all these comparisons, whether it relates to the subject of the amount of wages paid or any other expenditure on the part of the beet growers themselves, California is paying higher prices than any other State in the Union. It shows also, in comparison as between this country and other countries, that the United States is paying more for labor and other expense than any other nation. It appears that in the State of California the best wages and the highest price for beets are paid, as compared with any other locality in the world.

"Then, coming down to the question of the cost of farm labor in the beet fields of the United States, there is this statement:

"Cost of farm labor in the beet fields of the United States and in Europe.

"The United States Department of Agriculture recently issued a bulletin on the cost of farm labor in 1912, in which it was stated—

"Mr. President, it should be observed that this relates to farm wages generally—

"wages now, compared with the average of wages during the eighties, are about 53 per cent higher; compared with the low year of 1894 wages now are about 65 per cent higher. The current average rate of farm wages in the United States, when board is included, is—by the month, \$20.81; by the day, other than harvest, \$1.14; at harvest, \$1.54. When board is not included the rate is—by the month, \$29.58; by the day, other than harvest, \$1.47; by the day, at harvest, \$1.87.

"That is the end of the quotation.

"An analysis of the labor figures as given in the March Crop Reporter of the department shows that the average wage of day laborers on the farms in the 16 sugar-beet States in 1912 was \$2.45 at harvest time and \$1.95 at other seasons of the year.

"So it will be seen that the average wage paid is far in excess of the amount paid in Colorado, according to the statement of the Senator from that State. Reading further from the pamphlet, it says:

"From 76 direct reports received from the various beet-growing sections, I found that the average daily wage in the beet fields was \$2.21; the average daily earnings of pieceworkers, \$3.25.

"A comparison of these wages with the wages paid in the beet fields of Europe is illuminating.

"The wage rate for agricultural laborers in Poland is 26.2 cents per day for men and 20.6 cents for women, while the German wage rate is the highest to be found in the three great European beet-sugar producing countries. Due to the introduction of sugar beets and the other root crops which followed and were introduced in the rotation, the acreage yield of cereal crops in Germany has been more than doubled, and instead of assisting emigration, because of inability to feed a population of 30,000,000 people, Germany to-day, with a population of 65,000,000 people, annually imports 800,000 seasonal workers to help till her fields and work in her shops.

"Sixty-seven per cent of these workers come from certain provinces of Russia and Austria, the other two great sugar-producing countries, attracted by the higher wage which prevails in the German Empire.

"Due to a semiofficial immigration bureau and to strict passport regulations which prevent an emigrant from living in any portion of the German Empire save the particular place for which he or she is booked, the wage is fixed and regulated to a nicety. Of late, certain districts of other countries which need workers have been bidding against Germany.

"Then follows a statement showing the amount of wages paid in European countries. In Germany it is 41.4 cents per day; Denmark, 45.2 cents; Prague, 41.1 cents; Vienna, 41.1 cents; Crakow, 42.1 cents; as to women, Germany, 36 cents; Denmark, 35.4 cents; Prague, 36.1 cents; Vienna, 36.9 cents; and Crakow, 38 cents.

"The statement is as follows:

"The director of the German labor bureau gives the following as the standard wage when all allowances have been converted into money:

"For men.

"Germany, 1 mark 74 pfennigs per day (41.4 cents U. S.).

"Denmark, 1 mark 90 pfennigs per day (45.2 cents U. S.).

"Prague, 1 mark 73 pfennigs per day (41.1 cents U. S.).
"Vienna, 1 mark 73 pfennigs per day (41.1 cents U. S.).
"Crakow, 1 mark 77 pfennigs per day (42.1 cents U. S.).

"For women.

"Germany, 1 mark 51 pfennigs per day (36 cents U. S.).
"Denmark, 1 mark 49 pfennigs per day (35.4 cents U. S.).
"Prague, 1 mark 52 pfennigs per day (36.1 cents U. S.).
"Vienna, 1 mark 55 pfennigs per day (36.9 cents U. S.).
"Crakow, 1 mark 60 pfennigs per day (38 cents U. S.).

"Mr. President, bearing upon this question of the employment of foreign labor, I have here a letter from a resident of Oxnard, Cal., which I should like to read. The writer says:

"OXNARD, VENTURA COUNTY, CAL., April 24, 1913.

"Hon. JOHN D. WORKS,
"Senate Chamber, Washington, D. C.

"DEAR SIR: In speaking of the sugar-beet business a correspondent of the Los Angeles Tribune recently said: 'If the grower, as a rule, would employ American labor in the place of cheap Asiatic labor, he would no doubt receive more sympathy from the consuming public.'

"Under ordinary circumstances a misleading statement like this would pass unnoticed; but as the beet business is still in its infancy and yet is destined to play such an important part in our political and business affairs, we should all try to understand it aright. The fact of the matter is that the sugar beets make so much field work that there is scarcely sufficient 'American labor' to bring the crop up to that stage where the 'cheap Asiatic labor' is able to take hold of it. At this stage of the crop the call for labor is generally so urgent that the farmer never thinks of asking any questions as to nationality or color. All he thinks about is getting his beets thinned and hoed or topped, and he generally pays a first-class price, and if he gets even second-class work he esteems himself more than lucky. If a person wants to see 'cheap labor' they should never look in a beet field, because it's not there. These 'cheap laborers,' who top beets by the ton, sometimes make from \$5 to \$7 in a day.

"The sugar beet is really one of the most wonderful plants we possess. It makes more work, puts more money into circulation, and brings more land under intensive cultivation than anything else we grow. Suddenly eliminate this one crop from our fields and the wages of farm labor would immediately fall, and upon the heels of labor would fall the price of several of our farm products. And with stagnation in the country from whence would the cities draw their prosperity?

"A beet farmer produces one crop but is a very large consumer of several, among his heaviest items of expense being hay, grain, horses or mules, farm implements, and labor.

"I feel that it is not only the duty of the Government to protect the cultivation of the sugar beet, but that it would be showing the greatest wisdom by fostering and encouraging this industry by every means in its power.

"Respectfully, yours,

JOHN EASTWOOD.

"There is left, however, the question as to whether the beet growers in California are making exorbitant profits out of their business. There is really no foundation for this statement, except the testimony of Mr. Spreckels, as relating to one beet factory alone, and his statement in that respect was pure hearsay. He simply said that his father had told him so, and there has been ample evidence produced at various times showing the falsity of his statement as compared with that one factory.

"I want to call the attention of the Senate to a part of the testimony that was given at the hearing of the Committee on Finance of the Senate by Mr. Howard, who is president of the Alameda Sugar Co., which I think will explain how this mistake, if it was a mistake, came about. He says:

"It may be well at this point to explain the much-advertised and phenomenal dividend of 100 per cent declared by the Union Sugar Co. in 1911.

"At the end of 1910 the issued share capital was \$1,265,000, and during the previous 12 years of the company's existence there had accumulated an undivided surplus of \$1,440,101.57, not in cash but represented by property and equipment.

"Of this amount, \$607,678.65 was due partly to assessments paid upon the stock and partly to profit on the sales of land which had been leased with the privilege of purchase.

"Senator SMOOT. Pardon me. You say that seven hundred and some odd thousand dollars came from assessments?

"Mr. HOWARD. \$607,000 was partly due to assessments and partly due to profits on the sales of land.

"Senator SMOOT. What assessments were they?

"Mr. BALLOU. Two and a half dollars a share, three times; seven and a half dollars a share were paid on those assessments.

"Senator SMOOT. The assessments were made for what purpose? To increase the capital stock or to provide for losses you had made?

"Mr. HOWARD. It was not for the purpose of issuing stock. The assessments were made to pay for losses and new equipment.

"Senator SMOOT. That is what I wanted to find out.

"Mr. HOWARD. The soil was found to be too light and sandy for sugar beets, but admirably adapted for beans, which crop for several successive years had commanded such high prices as to create a strong demand for suitable land. Availing ourselves of existing conditions, the company exercised its option, subdivided and resold the land, reinvested the proceeds in other localities, and credited the profits.

"The balance of the surplus, \$832,422.42, was contributed during the 12-year period by the sugar business.

"To compensate the share owners for assessments, land and sugar profits, which had gone into property investments, a stock dividend equal to the outstanding share capital as of December 31, 1910, was declared and paid.

"But cash dividends had previously been paid totaling \$895,780, or an average of nearly \$75,000 per year, equal to nearly 6 per cent per annum on the outstanding capital on December 31, 1910.

"If, then, we take the \$832,422.42 contributed by the sugar business to the undivided profits, and which was capitalized by this stock dividend, it will be found to average, during its 12 years of accumulation, \$69,368.53 per year, which is equal to 5.5 per cent on the share capital on December 31, 1910.

"So that instead of the carefully misrepresented dividend of 100 per cent, we find an average dividend of the Union Sugar Co. resulting from its sugar business during the first 12 years of its existence of 6 per cent per annum in cash and 5½ per cent in stock.

"But, Mr. President, it is fair to say that the stock of the company was practically worthless, as is suggested in the testimony of Mr. Howard. It was found that the land in that section was not suitable to beet growing. They realized some of their so-called profits by selling the land to be devoted to other purposes, and this beet-sugar factory that is alleged to have made profits to the extent of 100 per cent has gone out of business because it could make no profits at all and the plant itself has been dismantled.

"These comparative statements of cost of production, including all the elements of cost, show that it would be utterly impossible for our beet-sugar growers or manufacturers to compete with the foreign producers. Maybe they could by reducing wages to 40 cents a day and other items of expense in proportion, but that our people would not and should not endure."

Mr. WORKS. Now, Mr. President, if the reduction of the tariff is going to reduce the price of sugar, some one, either the beet growers, the wage earner, or the owner of the plant, is going to lose the difference between the present price and the reduced price brought about by such reduction. In the first statement above the loss is imposed upon the manufacturer, and it is very clearly shown that if this bill becomes a law and the resulting loss accrues to the manufacturer his business will be conducted at a loss and the industry totally destroyed. But it does not follow that the manufacturer will allow himself to bear all or any of the loss. He may escape it by imposing it upon some one else, either by reducing the wages of his employees or by paying less for the beets he buys from the grower, or both. But, sir, the net result will be the same in the end. Wage earners can not be kept at wages less than they can obtain elsewhere. They should not work for less than reasonable wages in any event. If the beet grower can only make less than he can realize from his land by devoting it to other crops or other purposes, he will no longer raise sugar beets. If he still holds on but is, by reason of the reduction in the tariff, being deprived of fair compensation for his products, he is unjustly treated by law. Any proposed reduction in the tariff that would bring about such a result, affecting either the wage earners or the farmer, is pernicious in its character and wholly inexcusable. To me it is perfectly evident that with sugar on the free list the sugar-beet industry in my State will be absolutely destroyed.

It would result in a heavy and irretrievable loss not only to the people engaged in and directly affected by the business, not only to my State, but to the whole country. With sugar now selling 20 pounds for a dollar this change in the tariff will result in no material benefit to the consumer, but it will destroy a great and growing industry without corresponding or adequate benefits to any class of the people. Mr. President, I am not going to base my conclusions on this important subject upon the showing of the one company alone. I have procured other statements covering the experience of other companies showing the character and extent of their business, the amount of business done and profits realized. I do not desire to burden the Senate or encumber the Record with these statements. They correspond very closely with the figures I have already submitted. To me they prove conclusively that if the tariff has any influence on the selling price of the manufactured articles the business of making sugar in my State will be annihilated if this bill becomes a law.

Mr. President, I am greatly concerned for the farmers and laborers in California who are engaged in growing sugar beets. As I have said before, they will undoubtedly be the first and chief sufferers from such legislation as this. In the beginning of the industry they received \$4 a ton for their beets. The price to them gradually increased from year to year until they are now receiving six and sometimes and in some places, I am told, as much as seven dollars a ton. They have prepared for this kind of farming and thousands of acres of land are being cultivated in sugar beets and hundreds of our people find employment in the beet-sugar fields. If the beet-sugar plants are closed even temporarily, as they most certainly will be, it would mean a great loss and a great injustice.

The advocates of free sugar, in the attempt to justify the destruction of this great industry in my State, make the singular claim that by the growing of beets the farmers of the State have largely increased the value of their lands. They seem to think that when the farmer has increased the value of his land by his own industry, thrift, and business sagacity the Government may justly despoil him of the increase in the value of his property thus legitimately brought about and at the same time deprive him of his means of living by taking away the tariff that

has enabled him to make better use of his land, increase the value of the landed property of the country, add to the producing power of the Nation, and provide for himself and his family.

It is a peculiarly constituted mind that can see in this any justification or excuse for establishing free trade in sugar.

Mr. President, this whole matter of land values in California as compared with Eastern States is misunderstood. Land in my State costs more, because of peculiar conditions that prevail there that do not exist in the Eastern States. The climate is semitropical. Generally sugar beets can not be grown successfully without irrigation.

The same is true of citrus and other fruits. Millions of dollars of money have been expended in the State in acquiring water necessary for irrigation and systems for storing and distributing water for use on the lands. So the California farmer must expend more money, invest more capital, than an eastern farmer in order to acquire title to his land and make it productive. The amount paid for water rights and a distributing system is not only added to his investment but to the value of his land. Without the water there is no great difference between the market value of land in California and the Eastern States. He can grow the ordinary crops such as grain and the like without irrigation, but on account of the lack of rainfall in the summer season even these crops are uncertain and often fail.

The importance of irrigation should be appreciated by Members of this body when they think of the millions of dollars being expended by the National Government for irrigation works and the supply of water to western farms. And yet some Senators seem to think that the western farmer should be penalized and discriminated against because his land costs him more than that of the eastern farmer. Such a doctrine is not only unjust but it is absurd. The farmers of my State are asking for no favors on account of the increased cost of their land as compared with eastern farmers, but they protest against the use of this fact as an excuse for denying them their rights.

Mr. NORRIS. Mr. President—

The VICE PRESIDENT. Does the Senator from California yield to the Senator from Nebraska?

Mr. WORKS. I do.

Mr. NORRIS. Before the Senator leaves the subject of sugar, I should like to inquire whether in the tables he is to print in the Record he has any statistics except from California factories?

Mr. WORKS. No; I have not, Mr. President, because as I said in the beginning I expected to confine my remarks to the industries of my own State. So I have not gone out of the State for other information.

Mr. NORRIS. Has the Senator included any statistics in regard to the production of sugar outside of California?

Mr. WORKS. I have not, for the same reason.

OLIVES AND OLIVE OIL.

I come next, Mr. President, to consider the effect of the proposed reduction of the tariff on olives and olive oil. It is proposed to reduce the rate on olives in bottles or other packages containing less than five gallons from 25 to 15 cents a gallon. The existing tariff on olives in bottles, and so forth, containing less than five gallons is 25 cents, otherwise 15 cents. The proposed rate is a straight one of 15 cents. Under the present law olive oil in bottles or other packages of a capacity of less than five gallons is taxed 50 cents a gallon and other oils 40 cents. The present bill proposes to reduce the rate on smaller packages to 30 cents and shipments in larger quantities to 20 cents per gallon. Of course, under the present bill it is an easy matter to ship the oil in large quantities and bottle it in packages of less than five gallons and thus escape the higher rate. To what extent this was done, if at all, I do not know. To put it in that way seems to be offering an unnecessary temptation to fraud and deceit. But the proposed law does not remove this opportunity to take advantage of the domestic producer in the way indicated so far as it affects imports in the smaller quantities. When it comes to sales within this country 90 per cent of them are made in the smaller packages that would subject them to the higher tariff. Therefore, the effect of the proposed change is to reduce the tariff on olive oil 20 cents on the gallon. Very forceful reasons why this should not be done were presented by parties interested in the olive industry before the Committee on Ways and Means of the House. This is what was said on the subject on that occasion, including certain tables submitted showing the condition of the trade, the competition that must be met, and the probable effect of reducing the tariff:

STATEMENT OF DR. L. J. HUFF, OF LOS ANGELES, CAL., ON THE SUBJECT OF OLIVE OIL.

Dr. HUFF. Mr. Chairman and gentlemen, I have been delegated by the olive growers, nurserymen, and olive-oil manufacturers of California to appear before you representing their interests in the matter

of a proposed reduction in the tariff on olive oil of 20 cents per gallon. We request that this duty be allowed to remain, as it is for the best interests of those concerned; and we believe that after you have thoroughly examined our statement and investigated our conditions you will agree that to preserve that industry the duty must be left intact.

The proposed reduction of 20 cents a gallon, as far as we can see, will in no way reduce the cost of olive oil to the consumer, for this reason: Ninety per cent of the olive oil sold to the consumer in the United States is sold in bottles and small cans called sixes (6 to the gallon) and contain 20 ounces of oil each. The average selling price in the United States is 80 cents per can or bottle. A reduction of 20 cents per gallon would be 3 1/2 cents per bottle. It is very obvious that the retailer would not sell at 75 cents and lose 1 1/2 cents per bottle of his profit, which profit is small enough at the present time. Neither would he make a 70 1/2 cents price.

We claim that the proposed reduction on an average annual import of 4,000,000 gallons, or \$800,000, would go to the importer alone, and the Government would lose this revenue and not help the consumer, and work a very serious hardship on the olive-oil industry of California. Twenty cents a gallon reduction on 4,000,000 gallons would be a fine plum for the importer and absolutely no benefit for the consumer. The importer's argument has been that a 20-cent reduction would increase the sale and thereby increase the revenue. If you will follow the European markets, you will find that all of the olive oil being manufactured is readily sold, and that each year the supply is far below the demand, and especially so on the better grades of oil, which come in competition with the California products.

There was imported in the United States during the year ending June 30, 1912, 3,050,322.96 gallons of olive oil, valued at \$4,335,294.25, on which a duty of \$1,525,161.58 was paid, a value of \$1.42 per gallon. This was in packages containing less than 5 gallons. There was also imported 1,709,923.67 gallons, valued at \$1,729,491, on which a duty of \$683,969.44 was paid, a value of \$1.01 per gallon. This was in packages larger than 5 gallons. There was also 702,565 gallons of denatured oil, on which no duty was paid.

In 1908 we were represented here before the Ways and Means Committee, and at that time we asked that the duty be retained on olives and olive oil, and it was. Note the result in four years: With the very small protection we have had we added 6,000 acres more olives, and of the 12,000 acres then growing and 50 per cent bearing—3,000 acres of these have come into bearing—we have planted 6,000 acres more, making at the present time a total acreage in the State of 18,000 acres, from which we are securing at the present time 8,000 tons for oil and 4,000 tons for pickles, a total of 12,000 tons. Four years ago the average net income was only \$17 an acre. This year the average net income is \$36.88 an acre—not a very large income, but still it shows what we can do with protection to this industry, and all of this would be lost if the duty on olive oil were removed. In 1908 the olive industry of California represented \$4,500,000. To-day it represents over \$7,500,000. There are in California to-day 375,000 acres available for olive trees, and, with proper protection, the time will come when we can nearly supply our own country with oil and olives.

The total cost of harvesting and delivering olives in Europe to the factories rarely exceeds \$7 per ton, while our cost is seldom under \$20 per ton.

The average cost of California olive oil in the tanks is \$1.85 per gallon, and the average selling price is \$2 per gallon, giving the manufacturer a profit of 15 cents a gallon.

We use only the best sanitary mechanical methods for extracting oil, while in Europe a large percentage of the oil is extracted in the most crude and filthy manner imaginable, a large portion of it being done by the orchardist himself, and in many instances with only the use of the feet and hands.

Labor is a matter which enters largely into the California product. The entire labor cost pertaining to all the olive industry in Europe, including field laborers, manufacturing laborers, office help, etc., is \$1.04 per day. In California, including the same help as mentioned above, it is \$2.47 per day.

Heretofore the by-products have been more or less wasted. Now we have started to extract from the pomace the foots oil. This oil is what is termed mechanical oil, used to a large extent by soap factories and silk manufacturers, and its extraction heretofore has been done only in foreign countries.

Another serious handicap that we have is the matter of freight. Olive oil can be laid down in New York or Chicago from Europe for 7 1/2 cents a gallon. It costs us 15 cents a gallon to deliver it to any point from Denver east, and 18 cents to 20 cents a gallon to deliver it from California to what is known as the Northwest; that is, through Montana and Idaho.

I have a detailed schedule here, which I will ask to have made a part of my statement.

The schedule referred to by Dr. Huff is as follows:

"Average land value per acre, 9,000 acres of bearing olive trees, all varieties, \$250. Low value here caused by mountain and low land with orchards not cultivated or properly taken care of.

"Average land value per acre, 9,000 acres growing but not bearing, \$325. Higher value of land caused by quality of soil, higher state of cultivation with water facilities.

"Average yield of olives per acre in California, 1 1/2 tons. Low average yield is brought about by approximately 3,000 acres bearing, but not yet under full state of cultivation.

"Average price received by grower for three years, 1909-1912, 9,000 acres, oil olives on trees, \$22 per ton.

"Average cost irrigation, cultivation, fertilization, and pruning, 18,000 acres bearing and not bearing, \$8.50 per acre. Low average caused by large amount of early planted acreage not being cultivated or irrigated.

"Net average receipts to grower per ton for oil olives, \$13.50.

"Average price received by grower, 1909 to 1912, for pickling olives on trees, \$62 per ton. Forty per cent of all olives produced in State are pickling olives, balance oil olives.

"Net average receipts by grower for pickling olives, \$53.50 per ton.

"Net average receipts by grower for both oil and pickles per acre, \$36.88.

"Average cost of picking, 9,000 acres, \$17.50 per ton.

"Average cost shipping expense per ton, \$3.50.

"Net amount paid to grower for approximately 12,000 tons produced in 1911, \$442,560. Of this tonnage, 4,000 tons were pickles representing 1,200,000 gallons and 8,000 tons of oil olives representing 280,000 gallons of oil.

"Average cost of manufacturing olive oil for past three seasons, including cost of fruit, manufacturing (not including selling expense or other expense pertaining thereto), \$1.85 per gallon. Based on annual output of five largest factories, 90,000 gallons per year.

"Average cost of curing and canning ripe olives, including cost of fruit (not including selling expense or other expense pertaining thereto), \$0.617 per gallon. Based on annual output of five largest factories, 409,998 gallons.

"Average paid for labor field work, including farm help and olive pickers, \$2.17 per day.

"Average paid for manufacturing, including packing, shipping, selling, operating, and office help, \$2.76 per day.

"Average paid for European labor, including field labor where any paid, manufacturing plants, and shipping stations, \$1.04 per day. Covers Italy, France, and Spain, approximately 400 orchards and 30 mills. Average labor in Greece is 84 cents per day."

Average cost of manufacturing California olive oil for past 3 seasons (1909, 1910, and 1911).

[Five factories.]

	Cost of oil fruit delivered to factory, per ton.	Average yield of oil per ton, gallons.	Average cost of fruit per gallon of oil pressed.	Manufacturing, expense, labor, material, etc.	Taxes.	Repairs.
Season 1909.....	\$46.16	34.4	\$1.342	\$0.3858	\$0.0091	\$0.02
Season 1910.....	45.57	37.0	1.231	.256	.014	.05
Season 1911.....	45.00	34.0	1.323	.269	.009	.048
Total.....	136.73	105.4	3.896	.9108	.0321	.118
Average for last 3 seasons.....	45.58	35.13	1.299	.3036	.0107	.0393

	Interest.	Insurance.	General expenses.	Other miscellaneous expenses.	Total cost, per gallon, bulk oil in tanks.	Gallons manufactured.
Season 1909.....	\$0.0558	\$0.0248	\$0.0760	\$0.011	\$1.9245	75,000
Season 1910.....	.061	.039	.185	.012	1.848	85,000
Season 1911.....	.04	.015	.07	.005	1.779	110,000
Total.....	.1568	.0788	.3310	.028	5.5515	270,000
Average for last 3 seasons.....	.0523	.0263	.1103	.0093	1.8505	90,000

Average cost of pickling and canning California ripe olives for past 3 seasons (1909, 1910, and 1911).

[Per quart case of 2 dozen.]

	Cost of fruit delivered at factory.	Manufacturing expense, labor, material, etc.	Taxes.	Repairs.	Interest.	Insurance.
Season 1909.....	\$1.570	\$1.312	\$0.0224	\$0.0493	\$0.137	\$0.0612
Season 1910.....	1.586	1.494	.041	.084	.171	.109
Season 1911.....	2.059	1.242	.022	.044	.095	.037
Total.....	5.215	4.048	.0854	.1773	.406	.2072
Average per year for last 3 seasons (24 quart cans).....	1.738	1.349	.0285	.0591	.135	.0691
Per gallon (4).....	.289	.225	.0047	.0098	.0225	.0115

	General expenses.	Other miscellaneous expenses.	Total cost per case.	Cases packed.	Total pack, 5 factories (cases).
Season 1909.....	\$0.187	\$0.0271	\$3.386	36,129	75,000
Season 1910.....	.311	.0159	3.955	21,578	59,000
Season 1911.....	.171	.115	3.788	41,701	80,000
Total.....	.669	.1580	11.109	99,408	205,000
Average per year for last three seasons (24 qt. cans).....	.223	.053	3.703	33,136	68,333
Per gallon (4).....	.087	.009	.617	193,816	1409,993

¹In gallons.

After those interested in the reduction of the tariff had been heard a further statement was made in behalf of the olive growers, as follows:

UNITED STATES SENATE COMMITTEE AND COMMITTEE ON WAYS AND MEANS.

GENTLEMEN: Several statements were made by individuals representing eastern importers who appeared before the Ways and Means Committee in January, 1913, and who were in favor of reduction in tariff on olive oil. On page 218 of Tariff Schedule No. 2, published January 7, 1913, Mr. Zucca stated as follows:

"In my opinion there is but one way to restrict the selling of compound oil, which is actually an adulterated food product, and that is by reducing the tariff on pure olive oil to a rate that will not yield any profit by selling a compound oil."

In answer to this I wish to state that under the laws of the United States it is illegal to sell a compound or an adulterated oil as olive oil unless so marked, and it must be marked "salad" or what it really is, "cottonseed oil." Pure cottonseed oil is not adulterated, or a compound oil, and can not in any way be compared with olive oil. Cotton-

seed oil to-day is worth 52½ cents a gallon and sells to the consumer at 75 cents to \$1 per gallon, while the average cost of olive oil to the consumer to-day is \$2.50 per gallon. Wherein would a reduction of 20 cents a gallon, as asked for, bear out Mr. Zucca's statement that it would stop the selling of this compound or cottonseed oil?

On page 219, paragraph 2, Mr. Zucca says:

"The consumption of olive oil in the United States is 10,000,000 gallons. Four and a half million gallons come from Italy, France, Spain, and Greece—800,000 gallons from California. The other 5,000,000 gallons which are sold are only compound oil. It is not bad oil. It is cottonseed oil."

In answer to this I wish to state that statistics show that there were imported into the United States last year four and a half million gallons of olive oil on which duty was paid. There were sold in the United States 6,000,000 gallons of cottonseed oil. This cottonseed oil was not sold as olive oil, but was branded "cooking oil," "salad oil," or "shortening," and it in no way comes into the controversy in question. Cottonseed oil is used largely in the manufacture of oleomargarine, cooking compounds, and cheap salad oil, which goes to the poorer classes of people, who, if the duty on olive oil was reduced 20 cents a gallon, would not change from that cheap oil to olive oil, because they are buying this to-day, as stated above, at 75 cents to \$1 a gallon, while the lowest grade of olive oil coming onto the market to-day is \$1.65 a gallon plus the brokers' and the retailer's profit, which would bring the approximate price of this low grade of olive oil to \$2 a gallon. If the entire duty of 40 cents a gallon was removed and the consumer were to get all the advantage of this reduction it would mean \$1.60 a gallon for olive oil as against 75 cents to \$1 which the poorer classes are now paying for what is termed salad oil or cottonseed oil. It does not stand to reason that a reduction of 20 cents a gallon, or even 40 cents, is in any way going to benefit the class of people who use this 6,000,000 gallons of cottonseed oil. It is not fair to the olive industry of California to take cottonseed oil into consideration.

Mr. Zucca states that if you reduce the duty one-half, from 40 cents to 20 cents, they will have to drop this business in compound oil or they will fail. If this is the case, then this is the strongest argument we have in favor of home industry. If a reduction of 20 cents a gallon on olive oil is going to drive the entire cottonseed-oil industry out of the United States or, as Mr. Zucca says, make them all fail, then we had better raise the duty on olive oil to protect cottonseed oil, regardless of the California olive-oil industry. I will ask you, gentlemen, would this compound oil be affected in any way by a 20-cent cut? Compound or cottonseed oil, which he refers to and which is sold for 75 cents to \$1 per gallon as compared to the lowest price of olive oil at \$2 a gallon, would the poorer class of people, whom they seem to want to benefit, be benefited by this cut? Would they pay 75 cents a gallon more for olive oil than they are paying for cottonseed oil because the price of olive oil had been reduced from \$2 to \$1.75 by a cut in the tariff? We think not. On page 219 Mr. HARRISON, a member of the Ways and Means Committee, says: "I want to ask you a question: Is it not true that among the people of Mediterranean birth, who live in the big cities of the East, olive oil is a common substitute for butter?" Mr. Zucca replied, "Yes; and it is known as Italian butter among these people." Mr. HARRISON did not ask Mr. Zucca what class of oil the poorer class of people of Mediterranean birth used.

There are three grades of olive oil made in Europe—one, two, and three pressing. No. 3 pressing never leaves that country. It is the same to the poorer people of Europe as cottonseed oil is to the masses of the United States. And there is not enough of this low-grade oil in Italy, France, Greece, and Spain for their own home consumption. Spain alone consumes 6,000,000 gallons. This oil which they use there costs 40 cents to 50 cents a gallon, and then to supply their own wants they have been compelled to import cottonseed oil on account of the lack of supply of this low-grade olive oil. The first pressing and second pressing are those that are exported and which are worth in Europe from \$1 to \$2.65 a gallon f. o. b. Europe.

Mr. NEEDHAM asked this question:

"Do you think that if olive oil were put on the free list it would reduce the price to the consumer?"

Mr. F. S. BRIGHT, on behalf of the Pompeian Co., of Washington, D. C., said in answer to this question: "I do not really know whether it would for a very long time."

"Mr. NEEDHAM. Do you think it would reduce it for the present for the moment?"

"Mr. BRIGHT. I think probably it would."

"Mr. NEEDHAM. How much of the duty is added to the price which you add to the price?"

"Mr. BRIGHT. I can not answer that question. The supply varies so that it is hard to tell. We keep our price fixed. We distribute it at wholesale. The increased demand is such that individuals to whom we distribute have been raising the price that is printed on the package and charging a higher price for it."

"Mr. HILL. How do you do that—keep your price at a fixed price with a varying supply?"

"Mr. BRIGHT. The company has done it up to this time."

"Mr. HILL. You must make the price high in the beginning, to cover all the short supply, and then keep it up when the supply is greater."

Kindly notice Mr. Bright's answer: "The time will come when the price will have to be changed, if conditions are not changed in the production of olive oil on the other side. If we had several years of bad season in the olive-growing countries, the price of olive oil—our price—would have to be put up. But we have been able to maintain it largely because of the great quantities that we handle. We made a great deal of money, to begin with. We did not make so much per gallon, because the price has risen not quite 5 per cent in the past five years."

The above statement shows that there is no increased production in olive oil, and statistics prove that there has been only a slight increased production in European countries in the last year. More olive oil has been imported into the United States during this time because the American people will pay a higher price, and have paid a higher price, than the European countries were able to get in other directions, where they heretofore shipped their oil. Statistics also show that a great deal of this low-grade olive oil that has never left the country has been fused with the first and second grade, and that a greater importation of cottonseed oil from America has gone into the European country to supply the wants of the poorer class, who demand either an olive oil or a substitute therefor.

In the face of this, how can these gentlemen argue that there will be an increased use of olive oil under a decreased tariff, when, according to their own statements and statements made by gentlemen who have been abroad, the production of olive oil is naturally decreasing?

And how can they make a statement that a reduction of tariff will decrease the cost of this olive oil to the poorer classes of people, when, by their own statements, they show that the present price within a very short time must be advanced?

Mr. Bright says that out of 4,400,000 gallons of oil that they imported 500,000 gallons, and yet he further says that they are selling at a fixed price, regardless of conditions of the European market, whether it be a large supply or a small supply, and that they invariably keep their price at a fixed list, and, from his knowledge of conditions, they will have to raise the price. In the face of this gentleman's statement, should the duty be taken off of olive oil, or, as he asks, a reduction of half? Has he not virtually acknowledged that they expect to put in their pockets the reduction of 20 cents a gallon if such reduction is allowed on 500,000 gallons, or \$100,000, when he says, from his knowledge of conditions, they will have to raise the price?

If you will read carefully the proceedings before the Ways and Means Committee, you will find that the actual reduction, if it went to the consumer, would be 3½ cents on every 90-cent bottle of pure olive oil. In other words, if this product sold to the retail trade at 90 cents a bottle, it would then sell for 86½ cents per bottle. With a reduction of 3½ cents on a 90-cent investment, are the conditions such that the poorer class, who are using cottonseed oil, at 25 cents for the same size bottle, will make the change from this cheap product to an article that is going to cost them 86½ cents, because the duty has been reduced by the tariff 3½ cents? Or, in other words, are they going to substitute olive oil for cottonseed oil, when cottonseed oil is costing them \$1 a gallon, and under the proposed reduction on olive oil it will be reduced from \$2 to \$1.80, taking into consideration that they are going to take advantage of the cheaper oil?

The average market prices to-day on olive oil imported into this country on quotations from New York brokers by various purchasers on the Pacific coast range from \$1.85 to \$2.50 f. o. b. New York, duty paid. The lowest quotation that I was able to find in New York City or Chicago was a consignment of Greek oil consisting of 3,000 gallons, which oil was slightly off and was offered at \$1.55 f. o. b. New York. Taking this as a basis, would the poorer class of people change from an article that was costing them \$1 to one that they could buy for \$1.55, provided their entire wants could be supplied? I think not.

The natural cheap oil food for the European countries is peanut oil, cottonseed oil, and the low-grade olive oil, with the consumption fast increasing in favor of cottonseed oil. The natural cheap oil food for America is cottonseed oil, which is absolutely pure and is an edible vegetable oil.

In all fair reasoning it looks as though this was simply a case of paying the importer 20 cents, or whatever reduction in this tariff that may be made, on every gallon of oil imported; and the same line of reasoning may be carried out on olives. It absolutely, according to their own statement, can not benefit in any way the consumer. They say themselves that the consumption is increasing in America of pure olive oil and that the European market is decreasing, in consequence of which a reduction would not, according to their statements, increase the quantity. Thereby the Government would be losing in revenue and a great harm would be done an industry in California which bids fair, with proper protection, to be one of the greatest in the country.

There are in California to-day 18,000 acres of olive trees. There are 250,000 acres suitable for olive culture—cheap land which is not suitable for oranges or lemons. There is at the present time invested in California over \$7,000,000 in the olive business. These are facts and, I trust, worthy of your consideration.

Yours, very truly,

W. O. JOHNSON,

Chairman of the Olive Protective League of California.

MARCH 1, 1913.

Mr. President, these statements and the figures presented to the committee show in this case, just as they do in every case where our agricultural products come in conflict with foreign growers, that the domestic industry is bound to be driven to the wall unless it is protected to the extent of meeting the difference in cost of producing the given product and carrying it to market here and abroad. This puts the domestic on an equality with the foreign producer and brings about real and fair competition. Nothing less than this will preserve our own industries. Without it our domestic industries must inevitably be destroyed if the tariff is of any use at all other than to raise revenue. If the effect of the reduction of the tariff is to reduce the price of the commodity, and the price is so reduced that our own people can not produce and market it at a profit, then we not only destroy our own industries, but we place ourselves at the mercy of foreign importers over whom we have no control.

The showing made as to this particular commodity is in part that the cost of harvesting and delivering olives in Europe is \$7 a ton and \$20, or nearly three times as much, in this country. In Europe the wage is \$1.04 a day and in this country \$2.47, or considerably over twice as much. The freight from Europe to the New York market is 7½ cents a gallon and from California 15 cents to any point from Denver east, and to markets in the Northwest 18 to 20 cents a gallon, being twice as much as the foreign importer pays. It is further shown that the profit on olive oil per gallon is only 26 cents at prevailing prices. It must be evident that with a reduction of the tariff to 30 cents a gallon, with such disadvantages on the part of the domestic producer in cost of production and marketing, he would be placed at the mercy of the foreign importer and driven out of business. Again, I say it resolves itself into the question whether it is wise or just to destroy or limit the progress and advancement of our agricultural industries with the hope of serving the common good. If it is, then we should take the independent and manly course and declare for free trade.

ENGLISH WALNUTS.

Mr. President, this bill does not spare the walnut industry in my State. It reduces the tariff on walnuts not shelled from 3 to 2 cents a pound and on shelled walnuts from 5 to 4 cents. This is simply a part of the general scheme to reduce tariff rates all along the line without regard, as I think, to the justice of it in the specific case or the harm that is bound to be done the particular industry affected, as compared to the benefits to accrue as a result to the general public. Walnut growing in California is confined mainly to the four counties of Los Angeles, Orange, Santa Barbara, and Ventura, all in the southern part of the State.

Orange County reports 160,450 bearing trees and 92,725 nonbearing trees; acreage, 6,412 bearing and 3,709 nonbearing. Ventura County reports 168,416 bearing trees and 14,934 nonbearing trees; acreage, 6,736 bearing and 597 nonbearing. Santa Barbara reports 35,800 bearing and 22,600 nonbearing trees, and its acreage is 1,432 bearing and 904 nonbearing. The total acreage planted is 35,460. This is the table:

	Trees.		Acres.	
	Bearing.	Nonbearing.	Bearing.	Nonbearing.
Los Angeles.....	310,500	81,112	12,420	3,244
Orange.....	160,450	92,725	6,418	3,709
Ventura.....	168,416	14,934	6,736	597
Santa Barbara.....	35,800	22,600	1,432	904

The raising of the English walnut has also, as I understand, been taken up in Oregon and has there assumed considerable proportions, and this nut may be grown successfully in the Southern States, as experiments in Texas have proven. It is believed that there are not less than 5,000 additional acres of land in California now under irrigation adapted to the growing of walnuts. As showing the growth of the industry in my State and the effect of tariff legislation upon it, I quote from a brief of the walnut growers filed with the Ways and Means Committee of the House in defense of the present tariff. Speaking of the experiments made with different varieties of the walnuts and the advancement and growth of the industry, it is said:

To better illustrate these changes we will take into consideration the crops of certain years within these decades. The crop of 1885 was 625 tons, all hard-shell or mission variety; the crop of 1892 was 1,250 tons, one half being hard shell, the other half being soft shell; the crop of 1903 was 6,340 tons, one-fifth hard shell and four-fifths soft shell; the crop of 1910, 10,000 tons, practically no hard shell, about 100 tons of budded nuts, the remainder soft shell.

The 8,500 acres of nonbearing orchards are largely of a budded variety.

These changes and advancements are costly in energy, time, and expense, and further commercial development of the industry and the maintenance of the present importance are to a large degree dependent upon the retention of the present tariff rate.

The tariff rate upon walnuts dates from August 5, 1861, when a rate of 2 cents per pound was placed upon this commodity. This rate continued for nearly three years, when it was increased to 3 cents per pound, at which figure it continued, with the exception of from August 27, 1894, to July 24, 1897, during which time it was at 2 cents per pound. On July 24, 1897, the rate was made at 3 cents per pound upon unshelled walnuts and 5 cents per pound upon shelled walnuts. Without question this protection has been one of the principal reasons for the development of the industry, and has also been one of considerable revenue to the Government. This is shown by the following table of the duties paid into the United States Treasury for the past five years:

	Duty.		
	Unshelled.	Shelled.	Total.
1905.....	\$601,099.37	\$350,999.39	\$1,051,098.76
1907.....	642,835.58	354,947.92	997,783.50
1908.....	522,945.88	430,085.43	953,031.31
1909.....	668,069.23	548,049.40	1,216,118.63
1910.....	634,383.50	502,202.73	1,136,586.23

Three countries of South America, namely, Argentine Republic, Brazil, and Uruguay, have a tariff upon walnuts running from 1½ cents per pound to 2½ cents per pound. Several countries of Europe have a tariff rate upon walnuts running from one-sixth of a cent in France to 2½ cents per pound in Belgium. England, with a free entry, takes fully one-half of the entire exports from France.

The total production of the season of 1910 in California was 19,659,939 pounds. The number of bearing trees, from the report to the State board by county assessors, was 675,166. Dividing the output in pounds by the number of trees gives an average production per tree of 29 + pounds. For convenience we will use 30 pounds. Allowing 27 trees to an acre, each acre on this average produced 810 pounds—30 pounds by 27 equal 810.

The average price for the last 10 years f. o. b. California for walnuts has been \$12.55 per hundredweight, or 12.55 cents per pound. From this price must be taken 7½ per cent paid the brokers for selling and cash discount—\$12.55 by 7½ per cent equal \$0.94; \$12.55 minus \$0.94 equal \$11.61. Thus 810 pounds, or 8.1 hundredweight, will bring to the grower \$94.04—\$11.61 by 8.1 hundredweight equal \$94.04.

	Cents.
1902.....	10
1903.....	12.5
1904.....	11
1905.....	13
1906.....	11
1907.....	13
1908.....	12.5
1909.....	11.5
1910.....	15
1911.....	14

Total..... 125.5

Average price for 10 years, 12.55 cents.

The following estimate of cost of production is given:

Total returns.....	\$94.04
Cultivation..... per acre.....	\$20.00
Water and irrigation..... do.....	7.50
Pruning..... do.....	1.00
Fertilizer..... do.....	2.00
Harvesting and marketing at 1½ cents (810 pounds).....	12.15
Taxes on lands, trees, and improvements, \$500 at 2 per cent rate.....	10.00
Total expense.....	52.65

Average return per acre..... 41.39

Investment being \$750 and returns \$41.39, the rate upon investment equals \$41.39 divided by \$750 equals \$0.055, or 5.5 per cent.

As to the number employed in the industry and the class of people benefited by it, the brief has this to say:

There has been shown to be in southern California an approximation of 35,500 acres of land devoted to this industry. A very safe average to the individual grower is 15 acres, from which average we find that 1,800 individual farmers are sustained by walnut growing, and that 550 additional are striving in expectation of returns from this industry, making a total of 2,300 individual growers. These orchards very largely are homes for the grower and his family. We can feel safe in stating that at least 2,000 families are dependent upon this industry for a livelihood. With five persons to a family as an average, it can be seen that fully 10,000 people are deeply related to the success of this industry. In addition to this there is taken from the gross returns large sums of money that are diverted into other branches of industry and trade. Due to the exigencies of harvest each farmer must employ numerous persons to gather the crop during the months of October and November; this cost for outside labor is estimated at not less than 1 cent per pound. Upon an output of 10,000 tons the sum of \$200,000 was paid in 1911 to outside labor, thus giving employment to 2,500 people at \$2 per day for the average harvest season of 40 days. Also the railroad charges upon this crop at the freight rate of \$1.40 per hundredweight to Mississippi River points amount to \$280,000. In addition to this, there is a selling commission of 7½ per cent paid for distribution, amounting upon this tonnage to more than \$200,000. We find, therefore, that 10,000 individuals are afforded a living on the land alone and that \$680,000 is paid out into other lines of industry as expense from a bearing acreage of 27,000 acres in one section of California. If all lines of farm produce could be made to provide per acre for as much employment and distribution of wages throughout the United States the per capita of returns from farm labor would be greatly increased.

The following tables, coming from the same source, show the foreign imports of walnuts:

Imports of walnuts into the United States.

Country of origin.	Years ending June 30—				
	1903	1904	1905	1906	1907
	Pounds.	Pounds.	Pounds.	Pounds.	Pounds.
Austria-Hungary.....	266,700	113,905		25,645	411,210
Belgium.....	15,965	191,191	33,248		42,759
Denmark.....			100		
France.....	8,019,963	17,123,083	17,894,368	29,870,454	28,726,008
Germany.....	316,619	87,849	25,403	52,223	26,580
Greece.....	11,794	46,064	10,806	1,805	19,857
Italy.....	1,828,182	3,084,689	1,725,824	3,172,581	1,927,226
Netherlands.....		2,738	3,855		
Portugal.....			1,188		36,669
Russia in Europe.....		1,445	1,100	529	9,261
Spain.....	158,361	335,222	201,715	109,057	59,674
Turkey in Europe.....		27,231	21,835	4,884	84,033
United Kingdom.....	114,554	245,891	40,024	218,281	235,316
Canada.....	15,684	885	5,850	4,118	
Newfoundland.....					100
Mexico.....		477	60,226	4	
West Indies—Cuba.....			3,500		100
Chile.....	1,514,065	1,938,322	1,557,052	192,106	587,663
Chinese Empire.....		8,478			
Hongkong.....	13,300	30,000			13
Japan.....	7,300	6,320	16,764	3,877	1,563
Russia, Asiatic.....			1,797		
Turkey in Asia.....	59,500	416,563	78,647	256,115	429,569
Oceania, British.....			112		
Egypt.....		9,955			
Tripoli.....			323	225	
Total.....	12,362,567	23,670,761	21,684,104	24,917,628	32,597,592

Imports of walnuts into the United States—Continued.

	June to June, inclusive.					
	1905	1906	1907	1908	1909	1910
	Pounds.	Pounds.	Pounds.	Pounds.	Pounds.	Pounds.
Austria-Hungary.....	33,248	25,645	411,210	276,428	145,811	341,418
Belgium.....	17,894,368	20,870,484	28,726,008	22,394,308	19,726,916	25,879,294
France.....	25,400	52,223	26,580	56,587	43,699	17,687
Germany.....	16,000	1,805	19,857	62,526	17,687	17,687
Greece.....	1,725,824	3,172,581	1,927,226	3,734,661	3,747,672	5,899,862
Italy.....	1,100	9,261	96,498	54,639	29,535	29,535
Russia in Europe.....	201,715	109,057	59,674	119,851	157,124	33,955
Spain.....	21,835	4,884	84,033	16,585	7,834	39,779
Turkey in Europe.....	40,024	218,281	235,316	304,234	137,447	270,783
England.....	5,850	4,118	3,471	8,266	1,360	1,360
Canada.....	60,236	192,166	587,663	1,432,768	1,615,598	1,360
Mexico.....	1,557,052	3,877	1,563	4,743	4,310	12,461
Chile.....	16,764	3,877	1,563	2,100	6,672	166,010
Japan.....	78,047	256,115	429,560	366,092	447,446	948,008
China.....						
Turkey in Asia.....						
Total (other small places included).....	21,684,100	24,917,028	32,597,592	28,887,110	26,157,703	33,641,465

First nine months—	Pounds.
1909.....	11,561,670
1910.....	12,094,005
1911.....	14,829,925

From the above tables the following results of computations are made:

	Imported.	France.	Italy.	Chile.	Other countries.
Crop of—	Tons.	Per cent.	Per cent.	Per cent.	Per cent.
1903.....	6,181	65	15	12	8
1904.....	11,835	72	13	8	7
1905.....	10,842	79	8	7	6
1906.....	12,458	83	13	6	6
1907.....	16,228	88	6	2	4
1908.....	14,443	77	13	5	5
1909.....	13,178	76	14	6	4
1910.....	16,820	76	17	6	7
Average.....		78	12.3		

It can be readily seen that the countries importing walnuts into the United States to the largest extent are France and Italy.

The following table shows the amounts of nuts imported from all countries for the years 1906 and 1910, inclusive, showing tonnage of unshelled nuts and tonnage of shelled nuts, with the average invoice prices at foreign ports of shipment. It also includes the duty paid to the United States Treasury Department.

(Taken from the Yearly Reports of Commerce and Navigation of the United States, 1907, 1908, 1909, 1910, Tables 15 and 16, 1911.)

	Tons.	Value.	Average price, invoice.	Duty.	Corresponding ad valorem duty.
1906 (reported June 30, 1907):					Per cent.
Unshelled.....	11,518+	\$1,409,422.91	\$0.065	\$691,099.37	46.37+
Shelled.....	3,599+	1,163,409.06	.162	359,999.39	30.94+
Total.....		2,572,831.91		1,051,098.76	
1907 (reported June 30, 1908):					
Unshelled.....	10,719	1,530,649.66	.071	642,835.58	41.99
Shelled.....	3,539	1,180,765.30	.166	354,947.92	30.06
Total.....		2,711,414.96		997,783.50	
1908 (reported June 30, 1909):					
Unshelled.....	8,716+	1,083,792.21	.062	522,945.88	48.25
Shelled.....	4,392+	1,322,560.00	.151	439,905.43	33.2
Total.....		2,406,352.21		962,851.31	
1909 (reported June 30, 1910):					
Unshelled.....	11,639+	1,545,197.34	.066	668,099.23	43.24
Shelled.....	5,461+	1,851,408.75	.169	548,049.40	29.6
Total.....		3,396,606.09		1,216,148.63	
1910 (reported June 30, 1911):					
Unshelled.....	10,573+	1,680,301.35	.079	634,383.50	37.75
Shelled.....	5,622+	2,555,465.00	.227	562,202.73	22
Total.....		4,235,766.35		1,196,586.23	

These facts show, Mr. President, that foreign competition in walnuts is sharp and aggressive. The same elements of difference in wages, freight, and other items, making up the cost

of production and carrying to market, exist here as in the case of lemons and other California products. So, in this case, as in the others, it is the very simple question of destroying a home industry and giving ourselves over to the foreign producers. If it is believed that such a course will most benefit this country in the end, and that belief is justified, then this legislation may be defended. It is the question of sacrificing the few for the benefit of the many. Undoubtedly that is justifiable if the many are certainly going to be benefited in a degree sufficient to warrant the sacrifice of this important and growing industry, make the large sums of money invested in walnut growing a useless waste, and turn thousands of people out of employment.

But does anybody believe that this reduction in the tariff on walnuts, that will take away the profits of the growers in my State, deprive them of their means of subsistence and all incentive to extend the industry, thus adding to the prosperity of the country, will be compensated by benefits to others that can justify this crying injustice to the domestic walnut growers?

Mr. President, I do not believe it. I do not believe anybody else will believe it when they consider conscientiously and dispassionately the cold and unalterable facts.

Mr. SUTHERLAND. Mr. President—
The VICE PRESIDENT. Does the Senator from California yield to the Senator from Utah?

Mr. WORKS. I do.
Mr. SUTHERLAND. Before the Senator passes from his discussion of the duty on walnuts, can he tell us at what age the trees become bearing?

Mr. WORKS. No; I am not able to state exactly, but I think it is later than in the case of the lemon or the orange. They are trees of slow growth.

Mr. SUTHERLAND. It is a matter of several years?

Mr. WORKS. Yes.
Mr. SUTHERLAND. And in the meantime the man who engages in the business must carry his initial investment without any return whatever upon it?

Mr. WORKS. Yes; certainly.

Mr. SUTHERLAND. The Senator called attention to the number of acres that are in bearing trees, and the number of acres of nonbearing trees. I presume all of the nonbearing trees in the course of a few years will become bearing?

Mr. WORKS. They will not bear until several years have elapsed. Of course, meantime that is purely idle capital that is making nothing.

Mr. SUTHERLAND. Yes.

Mr. WORKS. Mr. President, I have taken up only a few of the industries of my State that will be affected by the proposed changes in the tariff. I could not in justice to Senators consume their time or delay final action on the bill by taking up all of them in detail.

The framers of this bill have allowed none of the important industries of my State to escape. Almonds not shelled are reduced from 4 to 3 cents, olives under existing law are taxed 25 cents per gallon in bottles containing less than 5 gallons, and 15 cents in larger quantities. This bill imposes a tariff of 15 cents straight, thus allowing the higher qualities of this product shipped in bottles to come in for the same duty as the lower shipped in bulk. Olive oil, "not specially provided for," is reduced from 40 to 20 cents per gallon, and in bottles of capacity of less than 5 gallons from 50 to 30 cents per gallon; pineapples in bulk are reduced from \$8 to \$5 per 1,000; prunes from 2 cents to 1 cent a pound; raisins from 2½ to 2 cents a pound; walnuts, not shelled, from 3 cents to 2 cents, and shelled from 5 cents to 4 cents a pound; lemons from 1½ cents to 0.38 cent a pound; oranges, olives, and grapefruit from 1 to ½ cent a pound; tungsten-bearing ores, raw wool and wool wastes, and leather band, bend or belting, rough leather, and sole leather, and so forth, are placed on the free list.

Mr. President, every one of these are California products and enterprises. If this wholesale reduction of tariffs on these important products of the State are carried through, with the disaster that is bound to follow to some of the most important of them, the people of California must ever hold the Democratic Party in grateful remembrance. Doubtless some of them will turn the other cheek, but most of them who can distinguish between right and wrong and are not blinded by submissive and unquestioning partisanship will resent this unjust encroachment on their existing condition of prosperity and contentment in a way that can not be misunderstood.

EXECUTIVE CONTROL OF LEGISLATION.

Mr. President, there is another phase of the question that, to my mind, is more serious and threatening than the enactment of an ill-advised and injurious tariff law. It is the influence of the executive branch of the Government and the secret

caucus on the framing and enactment of the laws of the country. I have had reason to express my views upon this question on another occasion and under another administration. I had hoped that there would be no occasion to refer to it again. My disposition to condemn such influence as affecting the conduct of public affairs is not founded upon any jealousy, as a Member of this body, of the encroachments of the executive upon the legislative branch of the Government. That is a matter of small moment, as it affects the individual Members of this body. It goes far deeper than that. It affects the integrity of any law Congress may enact and may be the stepping-stone to a conflict between these two important departments of the Government and some time imperil the free institutions of the Republic.

I do not believe, Mr. President, that if it were not for the influence of the executive branch of the Government, directed at the lawmaking power, and the coercive effect of the secret political caucus, the passage of this bill through either branch of Congress would have been possible. I take it for granted it will pass this body substantially as it was framed in advance. This, if newspaper accounts are to be credited, was done by a committee of Democrats and a Democratic President, or with the mutual agreement or concurrence of the two. It has been asserted and has been very generally believed that the President insisted that certain provisions should go into the bill and that other of its provisions are a compromise of views as between the President and Democratic members of the committee and the Democratic caucus. So, in any comments I may make on this phase of the question I will assume that the President of the United States aided in framing the bill and is using his powerful influence to have it passed in the form approved by him and known to have his approval. Added to this comes the political caucus that adopts the bill in the form desired by the President. The bill, as thus indorsed, is not satisfactory to many even of the dominant party. Its adoption and support by the majority party is the result of presidential and caucus influence combined. The President lets it be known that he desires the passage of the bill. The party leaders, in caucus, insist that this is an administration measure and that Democrats must stand by the administration and this secures its adoption in caucus. That is one step. Then, when the bill comes up for consideration it is insisted that it was agreed upon in caucus and is a party measure and Democrats must stand by the party. And they do. It is not a matter of individual conscience, reason, or judgment. A man under oath must forego his own conscientious convictions and judgment and vote with his party or come into disfavor and be branded as an apostate and betrayer of his party. The President commits himself beyond recall to a bill not yet introduced and without having heard the presentation of their views by the legislative representatives of the States where vital interests and important industries are to be affected by it.

Thus we have a bill agreed upon and marked for final passage upon consideration only by a few men of one party, concurred in by the President acting with representatives of this one party. This comes in part from the pernicious doctrine that the President is the leader of his party instead of, or as well as, the President of the whole people. The two are utterly inconsistent when it comes to the making of laws. Having committed himself to the measure in advance, we hear of the remarkable spectacle of distinguished Members of this body of his own party going to the White House and pleading with the President of the United States to consent that Congress may so modify the bill as to afford some protection to one of the great industries of their States.

Let us not delude ourselves by declaring that the President is an American citizen; that as such he has the same right to assert and maintain his views as has any other citizen. It is not the man or the citizen, Woodrow Wilson, that speaks, however potent or persuasive his personal influence as a mere citizen might be that is brought to bear here. It is the great office of President of the United States that asserts and maintains—even commands—that this bill shall pass. No one doubts that the President is actuated by the purest motives, the highest sense of duty, and the most lofty patriotism. But we can not conceal from ourselves that this great power to mold and fashion legislation and coerce its enactment may sometime fall into unworthy, unpatriotic, even treasonable hands, and, if it does, revolution may follow and this beneficent Government of ours be disrupted. We may say such an outcome is impossible; that our people are not subject to wild and ungovernable passion, and the foundations of government are too solid and enduring to be shaken, and the patriotism of the people of the Nation too sincere and earnest to be subject to the temptations of gain by treason and revolution.

But, sir, we had our Civil War. Some of us still hold in memory the horrors of that time, the lives that were lost, the homes made desolate, the tears and anguish of the mothers and wives whose husbands and sons were lost in that sanguinary conflict, the cruel destruction of property, the broken and maimed—some of whom are still with us—and the bitterness and hatred it engendered, some of which still remains. Let us hope it may be far distant; let us hope and believe it may never come; but the time may come when this great power in the executive department to rule and control Congress—a power not given by law and wholly illegitimate, but established by the silent and unauthorized acquiescence of the people and their lawful representatives—may bring the institutions of this Republic, the greatest and most beneficent government on earth, into deadly peril and to possible overthrow. Typical of the sentiment that upholds this change of the relations of the Executive and legislative departments of government is the following from a well-known newspaper correspondent, published lately in one of the leading journals of the country:

It is typical, not only of the changed relations existing between the President and Congress, but also of the greater place the President now occupies as the direct representative of the people, that he insisted upon his right to take part in tariff making. Whether for good or evil, the Constitution has been amended by the people themselves, and not through the machinery of convention or the legislatures.

The position in which the President has been placed by the silent revision of the Constitution is this: The President must be able to formulate a policy, and having formulated it he must make Congress execute it; if Congress is rebellious, the duty of the President is to put down rebellion; if force is necessary, he must obtain it as he would a volunteer army required to quell insurrection—that is, by an appeal to the people to come forward and do service. If Congress is mutinous the President has only to appeal to the people to be sustained, and the support will not be withheld if what the President advocates has popular approval. Congress does not dare contumaciously to oppose the President, unless it feels very sure that the people are with it rather than with the President.

So in the estimation of this well-informed writer the people have so amended the Constitution as to vest in the President the power to coerce Congress to do his bidding and to call upon the people to support him if Congress proves to be independent enough to do its duty as it sees it in spite of executive influence. The specious and insidious plea is made in justification of this usurpation of power that the people are supreme, that they made the Constitution and it is theirs, and that therefore they may change, modify, and construe it at will. Concurrent with this is the claim that the people may, in any form they choose to adopt, irrespective of and without regard to the provisions of the Constitution, override, modify, or reverse the decisions of the courts, and coupled with it is a growing suspicion of and want of confidence in the courts and disrespect for their decisions most alarming in its tendencies. Unfortunately we have weak and, on rare occasions, corrupt judges. But as a body they are as pure, high-minded, and patriotic as any class of citizens or any department of the Government. Their duties, obligations, and responsibilities are fixed and imposed by the Constitution. They can not be taken away by indirection or the destruction of the public confidence in that important arm of the Government.

The tendency of latter-day politics is to exalt the executive at the expense of the legislative and judicial power of the Government and make the President the master and ruler of them all and the master and not the servant of the whole people. It is an unwarranted and dangerous tendency. Every public official, however exalted, is only the servant of the people and should at all times be subject to their control and subservient to their will in conformity to the Constitution and laws of the country; and each department of the Government, if its institutions are to be preserved, must be kept within the limitations of its powers as fixed by the Constitution. When the people desire to change this just distribution and limitations of the powers of the several, or any of the departments, it must, if the Government is to stand, be done by amendment of the Constitution in the manner provided by law, and not by mere public sentiment, however expressed. The Constitution can not be amended, varied, or construed by public sentiment, except as that sentiment is crystallized and formulated in the manner provided by law and written into the Constitution itself.

Mr. President, if this bill is passed it will not be by the willing and voluntary consent of a majority of this body. It will be the result, in part, of outside influences that should never enter into the deliberations or acts of Congress. The Constitution provides:

All legislative powers herein granted shall be vested in a Congress of the United States, which shall consist of a Senate and House of Representatives.

That instrument further provides that "the executive power shall be vested in the President of the United States of America." The President is also made Commander in Chief of the Army and Navy. It is further provided:

He shall from time to time give to the Congress information of the state of the Union, and recommend to their consideration such measures as he shall judge necessary and expedient.

This is the only power vested in the President in respect of the making of laws. There is no warrant in the Constitution for his participation in the formation or passage of laws or the exercise of any influence on legislation beyond that of recommending to the consideration of the lawmaking power such measures as he shall judge necessary or expedient. In addition to this he is given the power to restrain the enactment of laws that he believes should not be enacted, by the veto power. But his veto is not conclusive. The bill may be passed by a two-thirds vote notwithstanding his veto. This is the extent of his power to act upon or influence legislation. To go beyond it is to exceed his constitutional powers and to infringe upon the very spirit of that great instrument.

I am glad to be strongly supported in my views on this important subject by a plank in the platform of the Democratic Party. In 1904 that party made this very proper and commendable declaration of principles:

EXECUTIVE USURPATION.

We favor the nomination and election of a President imbued with the principles of the Constitution who will set his face sternly against Executive usurpation of legislative and judicial functions, whether that usurpation be veiled under the guise of Executive construction of existing laws or whether it take refuge in the tyrant's plea of necessity or superior wisdom.

The practicable application of this patriotic declaration was never more needed than right now.

Mr. President, I have approached this subject with reluctance and purely from a sense of duty. I expressed similar views during the last administration. I have the greatest respect and esteem for the present incumbent of the great office of President of the United States, as I had also for his predecessor in office. I believe in the integrity and sincerity of his purpose to serve the people and the country to their very best interests. But, sir, this can not deter me from expressing my views on a question so serious and far-reaching in its consequences. It makes the situation only the more alarming that one of such high ideals and patriotic purposes should do anything that can reasonably be construed to be a usurpation of power or an infringement of the Constitution that may sometime be appealed to as a precedent by one less conscientious and patriotic.

Mr. SIMMONS. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Ashurst	Gronna	Martine, N. J.	Smith, Ariz.
Bacon	Hitchcock	Norris	Smith, Ga.
Bankhead	Hollis	Oliver	Smith, S. C.
Borah	Hughes	Page	Smoot
Bradley	James	Perkins	Sterling
Brady	Johnson, Me.	Pittman	Stone
Brandeggee	Johnston, Ala.	Pointexter	Sutherland
Bristow	Jones	Pomerene	Thomas
Bryan	Kenyon	Ransdell	Thompson
Burton	Kern	Robinson	Thornton
Carson	La Follette	Saulsbury	Tillman
Clark, Wyo.	Lane	Shafroth	Townsend
Crawford	Lea	Sheppard	Vardaman
Dillingham	Lewis	Sherman	Warren
Fall	Lippitt	Shields	Weeks
Gallinger	McLean	Shively	Williams
Goff	Martin, Va.	Simmons	Works

Mr. TOWNSEND. The senior Senator from Michigan [Mr. SMITH] is absent from the city on business. He is paired with the junior Senator from Missouri [Mr. REED]. I desire this announcement to stand on all votes to-day.

Mr. BRYAN. I desire to announce that my colleague [Mr. FLETCHER] is absent on public business.

Mr. GALLINGER. I will announce the absence of the junior Senator from Maine [Mr. BURLEIGH] on account of illness, and will not repeat the announcement during the present legislative day.

The VICE PRESIDENT. Sixty-eight Senators have answered to the roll call. There is a quorum present.

Mr. GALLINGER. Mr. President, there is no Senator on this side of the Chamber prepared to continue the general discussion of the bill. I will ask the Senator from North Carolina if any Senator on that side of the Chamber is ready to proceed?

Mr. SIMMONS. There is no Senator on this side of the Chamber who is prepared to make a set speech to-day. We

are, therefore, ready to take up the schedules of the bill, Mr. President.

Mr. GALLINGER. Then I think the reading of the bill had better be continued.

Mr. SIMMONS. I ask that the Secretary proceed with the reading of the bill.

The VICE PRESIDENT. There being no objection, the Secretary will resume the reading of the bill.

The Secretary resumed the reading of the bill, beginning on page 9, paragraph 37.

The VICE PRESIDENT. The pending amendment will be stated.

The SECRETARY. On page 9, paragraph 37, line 18, after the first word "gums," it is proposed by the Committee on Finance to insert the words "not specially provided for in this section." Mr. SMOOT has moved, as an amendment to paragraph 37, line 17, after the word "gums," to strike out the words "amber and amberoid, unmanufactured, or crude gum, not specially provided for in this section, \$1 per pound."

The VICE PRESIDENT. The question is on agreeing to the amendment proposed by the committee.

Mr. GALLINGER. No; the question is on the amendment to the amendment proposed by the Senator from Utah [Mr. SMOOT].

The VICE PRESIDENT. The Chair rules that the committee have the right of perfection before the amendment, which takes in the first clause of the paragraph. The question is on agreeing to the amendment as proposed by the committee. Is there objection? The Chair hears none, and the amendment is agreed to. Now the question is on the amendment proposed by the Senator from Utah.

The amendment was rejected.

The reading of the bill was resumed, beginning in line 19, of the same paragraph, as follows:

Arabic, or senegal, $\frac{1}{2}$ cent per pound; camphor, crude, natural, 1 cent per pound; camphor, refined and synthetic, 5 cents per pound.

Mr. BURTON. I move in lines 19 and 20, to strike out the words "camphor, crude, natural, 1 cent per pound."

The VICE PRESIDENT. The amendment proposed by the Senator from Ohio will be stated.

The SECRETARY. On page 9, in paragraph 37, lines 19 and 20, it is proposed to strike out the words "camphor, crude, natural, 1 cent per pound."

Mr. BURTON. Mr. President, this provision is an illustration of the policy adopted in this bill relating to numerous items. This is an article which in its crude form is not manufactured in this country. It has been the general policy in our tariff legislation for years to exempt that class of products from duty and to impose duties on the manufactured product; and I may say, Mr. President, that is in accordance with the policy of almost every advanced country.

Crude camphor is not found in the United States. Several years since the Agricultural Department reported that there was a prospect of providing it in the State of Florida, but I think the experiments have not proved successful. Under the existing tariff law crude camphor is free from duty, while the refined carries a duty of 6 cents a pound. It is proposed in the pending bill to reduce the duty on the refined camphor from 6 cents to 5 cents a pound and to impose a duty of 1 cent per pound on the crude article.

This is not a luxury, but it is an article in very common use, and one which is very largely consumed. It is especially desirable that it be made in this country, so that under regulations relating to purity and quality the manufactured article should be under inspection, so that we may know whether it is good or bad.

There is another feature of special application here. There is one country that has a practical monopoly of the supply of camphor. The value of camphor exported from Japan in the year 1911 was \$1,570,000. The value of that exported from Formosa, a dependency of Japan, was \$1,750,000. Crude camphor is a Government monopoly, and it is possible by official action to determine the price at which it will be sold.

Mr. President, a diminishing of the protective duty will tend to destroy—certainly very seriously to hamper—the refining of camphor in this country. No good purpose can be subserved by so diminishing the duty. It will not only injure the industry, but it will deprive us of the opportunity to ascertain whether the quality is good or not and to transfer the manufacture to the country in which the crude article is obtained.

I may say that according to the statistics it would seem that we are far and away the largest consumers of camphor; that we consume probably one-sixth, and possibly one-fifth, of

the supply of the whole world, and I wish to enter my decided protest against this change in duties.

Mr. BORAH. Mr. President—

The VICE PRESIDENT. Does the Senator from Ohio yield to the Senator from Idaho?

Mr. BURTON. Certainly.

Mr. BORAH. Do I understand that the effect of the change in this bill is to reduce the duty on the manufactured product and place a duty upon the raw material?

Mr. BURTON. That is right. The present duty on the manufactured product is 6 cents a pound. This bill proposes to reduce it to 5 cents a pound. There is now no duty on the crude camphor; but this bill imposes a duty of a cent a pound on that article.

Mr. BORAH. Well, what would be the effect of the change which the Senator from Ohio proposes?

Mr. BURTON. It would be to strike out the duty on crude camphor and leave the duty on the refined camphor, as it is here, it being the policy of the bill to make reductions. Whether or not I agree with that, I think the manufacturers ought to stand the reduction from 6 cents a pound to 5 cents a pound.

Mr. BORAH. In other words, the effect of the Senator's amendment would be to take the tax off the raw material?

Mr. BURTON. To remove the tax from the raw material; and I take it we will be compelled to acquiesce in the reduction of the duty on the refined.

Mr. BRISTOW. Let me inquire of the Senator, Mr. President, would it not be better to have a duty of 4 cents a pound on the refined article and make the crude camphor free than to have a cent a pound on the crude and 5 cents on the refined?

Mr. BURTON. As a trade proposition, I should think it would be; but I do not wish to take the responsibility of suggesting reductions on manufactured products where the protective quality is taken away.

Mr. BRISTOW. What is the ad valorem rate on the refined?

Mr. BURTON. On refined camphor the duty, according to the values last year, was 16.1 per cent.

Mr. BRISTOW. Yes; it is not an excessive duty at all.

Mr. BURTON. That is on a basis of 6 cents. The reduction to the rate proposed in this bill would make it 13.64 per cent.

Mr. BRISTOW. That is on a basis of 5 cents.

Mr. BURTON. Yes.

Mr. BORAH. Is this a raw material that is produced in this country?

Mr. BURTON. Not at all; as I stated a few moments ago.

Mr. BORAH. Then, I suppose a duty was put on as a revenue proposition.

Mr. BURTON. Strictly; and I want to repeat what I said a few moments ago, that I know of no country which has a well-adjusted tariff system that imposes duties on the raw material of this nature produced outside of the country. It is a class of duties which the whole tendency of tariff legislation has been against.

Mr. BORAH. In other words, however, it is a recognition on a small scale of the doctrine of free raw materials for which the Senator is contending.

Mr. BURTON. Yes; free raw materials where the raw material is not produced in this country. That is as far as it goes in this particular case.

Mr. SMOOT. Mr. President, there is one other point to which I desire to call the Senator's attention in relation to crude camphor. As the Senator from Ohio has said, it is absolutely under the control of the Japanese Government. The Japanese Government puts the price just high enough so that synthetic camphor can not be manufactured to take the place of the natural camphor. In other words, Germany manufactures synthetic camphor. If the Japanese Government raises the price above what synthetic camphor can be made for, then, of course, this country could import the synthetic camphor, which is just as good as the crude camphor; but if we put 1 cent a pound duty upon the crude camphor, the Japanese Government will immediately add that 1 cent a pound to the price of all the crude camphor that comes into this country.

Mr. BORAH. And if we take that 1 cent off the raw material, it is just that much more protection to the manufacturer.

Mr. SMOOT. That is true.

Mr. BORAH. So it is about six one way and half a dozen the other.

Mr. SMOOT. That is if the 1 cent is not added to the price. I wish to say now that those who import camphor have always to enter into the contract to do so at least a year ahead, and the Japanese Government has already given notice that in the

contracts that are to be made this coming year, if a duty is imposed upon crude camphor, an additional charge to cover that duty will be added to the price quoted to-day. So the Senator from Idaho can plainly see that the manufacturer in this country is not going to receive any advantage, but that if we put 1 cent a pound on crude camphor, the Japanese Government will get an increased price to that amount. Under the estimated importations, 1 cent a pound will amount to \$23,000. In other words, if a duty of 1 cent a pound is put upon camphor, the Japanese Government will receive \$23,000 additional.

Mr. BRISTOW. Mr. President, referring to the discussion last night in regard to the duty on potato dextrine, I desire to inquire of the Senator from Maine why the duty is maintained on potato starch and dextrine made from potato starch. Why are they not put on the free list?

Mr. JOHNSON of Maine. Mr. President, I am willing to answer the Senator's question, but we are discussing another matter, camphor, at present, and would it not be best to first dispose of the amendment which is now before us?

Mr. BRISTOW. The item to which I refer is contained in the same paragraph, is it not?

Mr. JOHNSON of Maine. Yes; but the Senator from Ohio [Mr. BURTON] has offered an amendment striking out the duty on crude camphor.

Mr. BRISTOW. I beg the Senator's pardon; I will wait until that is disposed of, although dextrine is part of the same paragraph.

Mr. JOHNSON of Maine. Mr. President, the duty upon crude camphor is proposed by the committee simply as a revenue duty. I call the attention of the Senator from Ohio to the fact that in the present bill, in many instances, duties are placed upon articles not produced here. In the very next paragraph a duty of 10 cents per pound is placed upon chicle, which is not produced in this country at all, but is imported from Mexico, Honduras, and Central America.

Mr. BURTON. If the Senator will allow me, chicle is used almost exclusively for the manufacture of chewing gum.

Mr. JOHNSON of Maine. But it is not produced in this country.

Mr. BURTON. It rests on a very different basis from camphor, which has a very great variety of uses.

Mr. JOHNSON of Maine. All through the bill there will be found other instances than chicle where there is a duty assessed upon articles not produced in this country.

Mr. BURTON. Yes, Mr. President, if the Senator will yield to me again, I am perfectly aware of that fact. I do not know that this is the worst illustration of what I regard as an utterly erroneous policy, but it is an illustration of the plan of imposing a duty on a crude material not made in this country, but which is used here to a very large extent, and is also manufactured in this country. I do not think there is any economic policy relating to the tariff that is any worse.

Mr. JOHNSON of Maine. The duty laid here is for the purpose of producing a revenue, and it will yield considerable revenue. The duty upon refined camphor has been fixed at 5 cents per pound, allowing a differential of about 3½ cents per pound, making some allowance for shrinkage in conversion. So there is a manufacturing margin of at least 3½ cents per pound in the manufacture of refined camphor. We do not believe there is any industry engaged in refining camphor that can not refine it with that margin of 3½ cents per pound.

Mr. BURTON. I dislike to interrupt the Senator from Maine so many times, but it seems to me his figures are slightly in error in that regard. One pound of the crude camphor produces about eighty-five one-hundredths of a pound of the refined article; suppose we say eight hundred and seventy-five one-thousandths. So the difference in cost—

Mr. JOHNSON of Maine. I said "about 3½"; which would not be far out of the way, making some allowance for shrinkage, as I stated.

Mr. BURTON. One pound of the crude camphor will not produce more than about seven-eighths of a pound of the refined camphor. So if you take the price of the crude camphor here at, say, 28 cents, that would make the cost of the refined camphor 32 cents.

Mr. JOHNSON of Maine. It seems to me the difference stated by the Senator from Ohio is not very material.

In answer to the suggestion that the Japanese Government has control of the natural camphor, that is true. But the Germans have brought down the price of natural camphor by making camphor synthetically; and, as said by the Senator from Utah, the natural camphor is maintained at a price at which the Germans can not manufacture it synthetically and export it to this country. Nevertheless, the ability on the part of the Germans to manufacture camphor synthetically

stands as a protection, not only to this country but to all the world, against overcharges by the Japanese Government.

We are reliably informed that the manufacturers and refiners in Japan pay for camphor the same price that is charged to Americans who import it. For that reason we feel that the duty of 1 cent a pound upon crude camphor is justifiable as a revenue duty, and that the cut in the duty upon refined camphor from 6 cents to 5 cents a pound, in view of the fact that there has been a cut in the duty upon celluloid and manufactures of celluloid, is a relative reduction which should be made.

Mr. GALLINGER. Mr. President—

The VICE PRESIDENT. Does the Senator from Maine yield to the Senator from New Hampshire?

Mr. JOHNSON of Maine. Certainly.

Mr. GALLINGER. Being not at all familiar with this subject, I wish to ask the Senator from Maine why synthetic camphor may not be made in this country as well as in Germany? Is there any reason that makes it impossible for us to manufacture it here? Is the cost excessive, or what is the reason?

Mr. JOHNSON of Maine. I will say to the Senator from New Hampshire, from the investigation I have been able to give to the matter, that I deplore exceedingly the fact that the American chemists have not been able to keep pace with the German chemists. The Germans have learned to make indigo synthetically, and even salicylic acid. They have learned to make camphor synthetically, and also vanilla, I am informed. In this country, either because we are not so patient and willing to make the painstaking, laborious investigations which the German chemists make, or perhaps because we want to make money too fast and are not willing to await the results of science, we have not made the advance which the German chemists have made.

Mr. GALLINGER. It has been a matter of wonderment to me that our chemists should not keep pace with the chemists of Germany in these matters; and yet it has occurred to me that we are decidedly behind Germany in reference to the manufacture of several articles synthetically.

Mr. JOHNSON of Maine. That is most certainly true. With the abundant natural resources at hand here we should utilize them, particularly the coal-tar products, which we do not utilize.

Mr. HUGHES. Mr. President, inasmuch as there are a number of items in the bill that have been treated as the particular item of camphor has been treated, perhaps it would be as well for me to make a short statement with reference to the objects and purposes of the House committee and the Senate committee in that connection.

The Senate committee might have reduced the duty upon refined camphor 2 cents a pound; and if that had been done, I do not think there would have been any particular complaint. So far as my information is concerned, there would have been an ample manufacturing margin, and no man engaged in refining camphor in this country would have been injured by such a reduction.

The House committee and the Senate committee chose, rather than to do that, to reduce the duty upon finished and refined camphor 1 cent per pound and to impose a new duty of 1 cent per pound upon crude camphor, thus, in a way, putting 1 cent into the Treasury and 1 cent into the pockets of the people and putting upon the industry a burden of taxation to the extent of \$23,000 per annum.

It will be found that there are a number of items in the bill which have been treated in that way; and that was the object and purpose of the House and Senate committees in so treating them.

The VICE PRESIDENT. The question is on agreeing to the amendment proposed by the Senator from Ohio [Mr. BURTON].

Mr. LODGE. On that I ask for the yeas and nays.

The yeas and nays were ordered, and the Secretary proceeded to call the roll.

Mr. CHILTON (when his name was called). I have a general pair with the junior Senator from Maryland [Mr. JACKSON] and therefore withhold my vote.

Mr. GRONNA (when Mr. McCUMBER's name was called). I desire to announce that my colleague [Mr. McCUMBER] is necessarily away from the city. He is paired with the senior Senator from Nevada [Mr. NEWLANDS]. I will let this announcement stand for the day.

Mr. THOMAS (when his name was called). I have a general pair with the senior Senator from New York [Mr. ROOT]. I transfer that pair to the junior Senator from Oklahoma [Mr. GORE] and will vote. I vote "nay."

Mr. WARREN (when his name was called). I am paired for the day with the senior Senator from Florida [Mr. FLETCHER]. I make this announcement for the day.

Mr. WILLIAMS (when his name was called). I have a pair with the senior Senator from Pennsylvania [Mr. PENROSE]. He is absent. If he were present, I should vote "nay."

The roll call was concluded.

Mr. WARREN. I transfer my pair with the senior Senator from Florida [Mr. FLETCHER] so that he may stand paired with the junior Senator from Maine [Mr. BURLEIGH] and will vote. I vote "yea."

Mr. JAMES. I have a general pair with the junior Senator from Massachusetts [Mr. WEEKS]. As he has not voted, I withhold my vote. If he were here to vote, I should vote "nay."

Mr. JONES. I wish to announce that the junior Senator from Michigan [Mr. TOWNSEND] is detained on important business of the Senate.

Mr. JAMES. I transfer the general pair which I have with the junior Senator from Massachusetts [Mr. WEEKS] to the senior Senator from Nebraska [Mr. HITCHCOCK] and will vote. I vote "nay."

The result was announced—yeas 29, nays 45, as follows:

YEAS—29.

Bradley	Crawford	La Follette	Poinexter
Brady	Cummins	Lippitt	Sherman
Brandegge	Dillingham	Lodge	Smoot
Bristow	Gallinger	McLean	Sutherland
Burton	Goff	Norris	Warren
Clapp	Gronna	Oliver	
Clark, Wyo.	Jones	Page	
Colt	Kenyon	Perkins	

NAYS—45.

Ashurst	Kern	Ransdell	Smith, S. C.
Bacon	Lane	Reed	Stone
Bankhead	Lea	Robinson	Swanson
Borah	Lewis	Saulsbury	Thomas
Bryan	Martin, Va.	Shafroth	Thompson
Chamberlain	Martine, N. J.	Sheppard	Thornton
Clarke, Ark.	Myers	Shields	Tiltman
Hollis	O'Gorman	Shively	Vardaman
Hughes	Overman	Simmons	Walsh
James	Owen	Smith, Ariz.	
Johnson, Me.	Pittman	Smith, Ga.	
Johnston, Ala.	Pomerene	Smith, Md.	

NOT VOTING—22.

Burleigh	Fletcher	Newlands	Townsend
Catron	Gore	Penrose	Weeks
Chilton	Hitchcock	Root	Williams
Culberson	Jackson	Smith, Mich.	Works
du Pont	McCumber	Stephenson	
Fall	Nelson	Sterling	

So Mr. BURTON's amendment was rejected.

Mr. REED subsequently said: I wish to ask the Senator from Kansas his indulgence for a moment, as I am obliged to leave the Senate Chamber and go back to committee work.

Mr. BRISTOW. I yield to the Senator.

Mr. REED. I came in while the roll was being called on the last vote, and when my name was called I voted, forgetting for the moment I have a pair with the Senator from Michigan [Mr. SMITH]. My attention was not called to it until this moment. All that I can do now is to make the explanation that I voted through inadvertence and express my regret for having done so.

Mr. BACON subsequently said: Mr. President, I hope I may be permitted to state that on the last vote, upon the amendment offered by the Senator from Ohio [Mr. BURTON], I voted inadvertently, not knowing that the Senator from Minnesota [Mr. NELSON] was not present. I left the Chamber before his name was called, and I did not know of his absence. My vote would not have changed the result, but I think it proper that I should make this statement.

The reading of the bill was resumed.

The next amendment of the Committee on Finance was, in paragraph 37, page 9, line 21, after the words "per pound," to strike out "chicle, 20 cents per pound; dextrine, burnt starch, or British gum, dextrine substitutes, and soluble or chemically treated starch, three-fourths of 1 cent per pound" and to insert, "chicle, crude, 15 cents per pound; refined or advanced in value by drying, straining, or any other process or treatment whatever beyond that essential to the proper packing, 20 cents per pound; dextrine made from potato starch or potato flour, 1½ cents per pound; dextrine, not otherwise provided for, burnt starch, or British gum, dextrine substitutes, and soluble or chemically treated starch, three-fourths of 1 cent per pound."

Mr. BRISTOW. Mr. President, I desire now to renew the question I asked the Senator in charge of the bill before the last amendment was disposed of. That is, Why was the duty fixed at a cent and a half per pound on dextrine made from potato starch or potato flour?

Mr. JOHNSON of Maine. Mr. President, the evidence before us satisfied us that the cost of making potato starch is greater

than that of making the other kinds of starch, and also that there is a good deal of competition in the manufacture of potato starch. It is not a starch that is used for food. It is a starch that is largely used by the textile manufacturers, particularly the cotton manufacturers, in starching their goods. It differs from cornstarch and the other kinds of starch. The importations under the present rate of $1\frac{1}{2}$ cents per pound are quite large. I have forgotten just what they are.

Mr. BRISTOW. I understand, then, that in fixing the duty the Senator took into consideration the cost of producing this starch. Was that the attitude of the committee?

Mr. JOHNSON of Maine. The duty was fixed in the first instance by the Ways and Means Committee. The bill came to us with a duty of 1 cent per pound upon potato starch and one-half cent per pound upon the other kinds of starch. Upon reading the discussion in the House and also before the Ways and Means Committee, the testimony seemed to be sufficient to warrant that distinction in the duty; and the committee felt that the Ways and Means Committee had acted wisely in making that distinction.

Mr. BRISTOW. The duty fixed by the Ways and Means Committee on this dextrine was three-fourths of 1 cent a pound.

Mr. JOHNSON of Maine. I spoke of the duty upon the potato starch, which I understood the Senator to inquire about.

Mr. BRISTOW. I was inquiring of dextrine made from potato starch. The Committee on Ways and Means fixed a duty of three-quarters of a cent.

Mr. JOHNSON of Maine. I will say to the Senator the duty on dextrine followed the duty on different kinds of starch. If the dextrine is made from cornstarch or from any other kind besides potato starch it bears a duty of three-fourths of a cent a pound. If made from the potato starch, because potato starch is dutiable at a cent a pound, the duty upon the dextrine made from that starch is made to bear a higher rate of duty so as to make the duties relative.

Mr. BRISTOW. As I understand the Senator's explanation of this increase in the duty on dextrine made from potato starch over the House bill from three-quarters of a cent a pound to a cent and a half a pound, it is in order to restore the compensatory advantage which the dextrine made from potato starch ought to have since the potato starch carries a duty of a cent a pound. Is that correct?

Mr. JOHNSON of Maine. Yes. Whether you call it a compensatory duty or what you call it, it is a manufacturing margin between the product and the raw material from which it is made. Through the bill there has been this differential carried. There is a higher rate of duty, I think, in nearly every instance, as a general plan, on the finished product than upon the raw material from which it was made, with a differential.

Mr. BRISTOW. In the present law the duty on potato starch is a cent and a half a pound, and the duty on dextrine made from potato starch is a cent and a half a pound. That is, the duty on the starch and the dextrine in the present law is the same.

Mr. JOHNSON of Maine. Oh, no; I have said several times that the duty on potato starch is a cent a pound.

Mr. BRISTOW. That is in the House bill; but in the present law, I say.

Mr. JOHNSON of Maine. In the present law?

Mr. BRISTOW. It is a cent and a half.

Mr. JOHNSON of Maine. I do not recall it. I think we have it here.

Mr. BRISTOW. That is what it is. It is a cent and a half a pound on starch and on dextrine made from the starch. Now, I wanted to inquire if complaints had come to the committee that the manufacturers of dextrine needed an additional protection over that given the starch.

Mr. JOHNSON of Maine. Oh, yes; there was complaint made, and it was discussed upon the floor of the House. It was said that there should be this differential. Our attention was called to the fact that the Ways and Means Committee had made a mistake, that they had put the duty upon the dextrine at a lower rate than the duty upon the raw material out of which it was made. Also, the junior Senator from New Hampshire [Mr. HOLLIS] appeared for somebody, and we had some communications. I think a brief was printed from some of the manufacturers in Massachusetts who called attention to that fact.

Mr. BRISTOW. I can understand that the duty on the dextrine should not be less than the duty on the starch, but the present law—that is, the Payne-Aldrich Act—fixes the same duty on the starch and on the dextrine and makes no differential in favor of the dextrine. What I wanted to find out was why the Committee on Finance now thinks that dextrine should have half a cent a pound more protection than the starch.

Mr. JOHNSON of Maine. I will say to the Senator, Mr. President, that the duty upon the dextrine made from other kinds of starch is three-quarters of a cent a pound. The duty upon other kinds of starch is half a cent a pound. There is an increase in the duty of 50 per cent between the dextrine and the raw material from which it is made. We made the same differential here in the case of dextrine made from potato starch. The duty upon the potato starch being a cent a pound, we made the duty upon dextrine made from potato starch a cent and a half a pound, 50 per cent more, just as in the case of the other kind of dextrine.

Mr. BRISTOW. Why does the Senator think that the rates of the Payne-Aldrich law should be maintained on dextrine made from potato starch and that no duty whatever should be imposed on potatoes?

Mr. JOHNSON of Maine. I myself hardly see the materiality of the question. I last night gave the Senator my personal opinion. We are not dealing with that schedule here or the duty on potatoes. But I will say further, that the farmers who find a market for their potatoes at these starch factories, as I said yesterday, can sell their culls and small potatoes, the refuse potatoes, at those factories, and sometimes when the price of potatoes has been so low that it would not pay to ship even marketable potatoes from the State of Maine to the market it of course has been to the advantage of the farmers to find that they could have those potatoes converted into starch. I am very sure that many of the farmers in that section of my State where there are starch factories are interested in the maintenance of these factories. They furnish them a place to dispose of their small potatoes, as I said, which are not marketable. I have no very intimate knowledge of the situation, but in a general way I know that to be true.

Mr. BRISTOW. Well, the object of increasing this duty is to enable the manufacturers of dextrine to increase the price of their commodity?

Mr. JOHNSON of Maine. It was to make as far as possible the rates of the tariff bill uniform. When our attention was called to the fact that dextrine made from one kind of starch received a differential it seemed to us that the argument of those who appeared before us was sound; that some differential should be given in the case of dextrine made from potato starch.

Mr. BRISTOW. The theory upon which the committee has proceeded, as I understand it, is that a duty increases the price of the commodity upon which the duty is imposed. Therefore, a duty of a cent and a half a pound on dextrine made from potato starch will increase the price of that product when it is sold here in our country.

Mr. JOHNSON of Maine. And also I may suggest there are quite large importations of potato starch, and the duty will provide a revenue.

Mr. BRISTOW. Yes. I have not gone into the question as to whether or not a cent and a half protection on the dextrine made from potato starch is necessary. The point that has attracted my attention is the discrimination. In the present law there is no differential in favor of the dextrine starch and farmers have the benefit of a duty of 25 cents per bushel on the potatoes from which these products are made. Now, if the duty of a cent a pound on starch is an advantage to the manufacturer of potato starch and enables him to sell his product in the American market for more money than otherwise he could sell it for, if it protects him from destructive foreign competition, which the Senator indicates it is necessary to do, if such a duty is necessary and is not excessive, I am not going to object to it. I have not taken up that phase of it to see whether it is or not. But if the purpose of imposing the duty on starch that is made from the potatoes is to increase the price of the commodity so that the manufacturers may get a better price for what they manufacture, I want to know why it is not fair and just to impose a duty on the potatoes which the farmer produces and sells to the manufacturer who converts those potatoes into the starch and the dextrine. Is it not just to treat the farmer from the same point of view and apply to his labor and to his production the same law and the same principle?

Mr. JOHNSON of Maine. Mr. President, it seems to me we are entering upon another field of discussion in that matter. We will reach that when we reach the agricultural schedule, but here when we are dealing with dextrine made from different kinds of starch the question which the Senator raises is aside and does not at present concern the Senate in its consideration of this schedule.

Mr. BRISTOW. If the Senator will pardon me, I can not see that it is not pertinent to this question, because the Senator knows that when the price of potatoes is low the starch factory

furnishes a market to the grower of potatoes which he otherwise would not have. I readily see that it is to his interest to have these starch factories there. But it is also to his interest to have a protective duty when times are dull with him and the price of his product is low, in order that his labor may be protected from the same character of competition which the manufactured product is protected from.

Mr. JOHNSON of Maine. As long as the Senator has raised that point, I want to ask him a question. In his great State of Kansas the farmers raise a great deal of corn. The present law carries a rate of 15 cents a bushel on corn. Do the farmers of the State of Kansas receive any benefit from that protective duty of 15 cents a bushel upon corn?

Mr. BRISTOW. Not so much upon corn as they would upon other things.

Mr. JOHNSON of Maine. Let me tell the Senator they do not receive a benefit from the duty on potatoes, in my judgment.

Mr. REED. May I ask a question? The Senator says they need this protection when the price of potatoes is very low. Does not the Senator know that when the price of potatoes is very low that is the very time when no potatoes could possibly come in from abroad?

Mr. BRISTOW. Ah, if the price of potatoes is very low, I will answer the Senator, the foreign producer of potatoes would be just as anxious to seek the American market as he would at any other time, because the close times are pressing upon him at that period.

If it is right and just to give the manufacturer of the starch who takes the potato and makes it into starch a cent a pound as protection, and if he carries it one step further and makes it into dextrine a cent and a half a pound, why should not the farmer who grows the potatoes have the same consideration from Congress?

Mr. JOHNSON of Maine. Mr. President—

Mr. REED. If the Senator from Maine will pardon me, I want to ask the Senator from Kansas my question again and try and get an answer to the question. I ask him if he does not know that when the price of potatoes is very low in this country there is not a single potato shipped into the country, and if the figures will not show that to be true?

Mr. BRISTOW. The figures will not show that to be true. The Senator can not find a year when there has not been a very substantial importation of potatoes.

Mr. REED. I venture to say, without looking it up, that there has never been any considerable amount of potatoes imported into this country in any year when the price of potatoes has been exceedingly low in this country.

Mr. BRISTOW. The Senator will find that potatoes are imported into this country every year.

Mr. BORAH. Mr. President, did I understand the Senator from Maine to say that there is a duty on corn?

Mr. JOHNSON of Maine. It is 15 cents a bushel under the present law.

Mr. BORAH. Was that changed?

Mr. JOHNSON of Maine. It is. In the pending bill corn is placed on the free list.

Mr. BORAH. It is placed on the free list?

Mr. JOHNSON of Maine. Yes.

Mr. BRISTOW. As I said last night, the thing I am complaining of in regard to this bill is its absolute injustice; its indefensible discrimination against certain industries in the United States. Here is a plain illustration of it.

I will say to the Senator from Maine if he will look it up I think he will find I am right in this. If not, the figures can be readily at hand. There have been greater importations of potatoes in the United States during recent years than of either dextrine or starch.

Mr. JOHNSON of Maine. That was in the year 1911, when there was a shortage, and when the price of potatoes was very high.

Mr. BRISTOW. There was a larger importation in 1912 than in 1911, as I remember.

Mr. JOHNSON of Maine. Shiploads of potatoes were brought into Portland, Me., from Scotland. We needed them and the country needed them. Although we were the third State in the Union, I think, in the raising of potatoes still we had to have potatoes brought from Scotland; and they were brought by shiploads to Portland, Me., and the duty paid, because of the scarcity in this country. The farmers got an enormous price, of course, for potatoes that year. There is no crop that varies so much as potatoes. I have seen them sell for much less than the duty. I have seen them rotting in the fields, when it would not pay the farmers to dig them and market them. Then again, because of the scarcity in some of the Central States, potatoes were in demand. The great State of

New York is the largest potato-raising State in the Union, raising some 47,000,000 bushels yearly. The State of Michigan is next with 35,000,000 bushels, and our old State of Maine is third with about 30,000,000 bushels. Pennsylvania raises very nearly the same amount, and nearly all the States raise potatoes.

When there is a shortage in the Central States and in New York, our Maine potatoes bring a good price, not because of the 25 cents a bushel protective duty, but because of the shortage and the demand here. The farmer can not do as the manufacturing interests in my State or as the cotton-mill owners can do—meet once a month and determine what the product may be and what the different mills may run upon. When he puts his crop in the ground he has but little to do with what the outcome may be. He can not arrange with other farmers as to how many acres may be put out that year in potatoes; he can not combine to control the production. He awaits a kind Providence, and if he has a bountiful crop and there is a bountiful crop in the great Empire State of New York and in the State of Pennsylvania or Michigan his potatoes rot in the field, or he finds, perhaps, some market in the starch factory near by. It is not because of the tariff. Then when his crop is harvested he can not do like the manufacturing interests where there are great storehouses and plenty of capital to carry the product while awaiting a favorable market.

He must market because his crop is perishable, and then he needs the money. He can not carry it. He is not situated so that he can take advantage of the duty which you pretend to give him upon his potatoes. So I alluded to it yesterday afternoon as a spurious duty, placed there in order that he might be led to believe that he shares somehow as a beneficiary in this system, which was never designed for him.

I read here a declaration which I have at hand. The secretary of the American Tariff League, during the pendency of the reciprocity act, wrote:

Once the American farmer finds that protection is not for him, the end of protection will quickly come. Ten million votes are cast by American farmers. Kindly write or wire your Senator or Representative in Congress in opposition to the treaty.

I fancy the spirit behind the author of that message is the spirit which has moved the placing of the duty upon many farmer products, like 15 cents a bushel upon corn grown in the State of Kansas, when it can be of no advantage to the farm grower, it seems to me, of that State. No more is the 25 cents a bushel of advantage to the potato grower of my State.

Mr. SMOOT. Mr. President—

The VICE PRESIDENT. Does the Senator from Kansas yield to the Senator from Utah?

Mr. BRISTOW. In just a moment I will yield.

I appreciate all the disadvantages which the Senator from Maine has narrated that are imposed by nature and conditions upon the American farmer, but it seems to me, struggling as he does against such adverse conditions that are beyond his control, it comes with poor grace to take from him—

Mr. JOHNSON of Maine. Mr. President—

Mr. BRISTOW. Will the Senator pardon me? That advantage which is now given him. He is now placed on an equality with the manufacturers who take his product and transform it into a commodity which they sell to the American people. He certainly has a right to the same consideration from Congress as the factories which take and handle the product. When you put a duty of a cent and a cent and a half a pound upon the starch and the dextrine that is made from the potatoes he has a right to ask that you treat him according to the same rules and apply to him the same methods in legislation.

Now I yield to the Senator.

The VICE PRESIDENT. The Chair thinks that the Senator from Utah [Mr. Smoot] is first entitled to the floor.

Mr. SMOOT. Mr. President, last year there were imported into the United States 13,740,481 bushels of potatoes. The unit value of those potatoes was 52 cents a bushel. The duty collected amounted to \$3,434,535. I want to ask the Senator from Maine if the 25-cent duty upon those potatoes did not help the farmer raising potatoes in the State of Maine?

Mr. JOHNSON of Maine. I am willing to answer it, Mr. President. I think not. The price was high and the farmer found a ready market for all his potatoes. You paid here in the city of Washington \$2 a bushel for those potatoes, and they were in demand. The small amount that was shipped in was a mere bagatelle, a drop in the bucket, it counted for nothing. The great demand in the United States for potatoes affected the price.

Mr. SMOOT. That was the largest importation for many years.

Mr. JOHNSON of Maine. There was a shortage, as we all know. There was a scarcity of the crop.

Mr. SMOOT. Then why was the price in 1912 lower than it was in 1910 or 1905 or 1896? I notice here that the price per unit on potatoes a bushel was 52 cents in 1912, and the importations were 10 times as much as they were in 1910, when the unit price was 86.9 cents. The junior Senator from Missouri has just made the statement that when the price of potatoes was low they never imported into this country. In 1910, when they were 86 cents a bushel, there was not one-tenth the amount of importations there was in 1912, when they were 52 cents a bushel. I want to say to the Senator from Maine that if the farmers of Maine had not been protected by 25 cents a bushel last year on their potatoes they would not have received the price for them that they did get.

Mr. JOHNSON of Maine. I should like to believe that the farmer received a benefit from the duty, but I have never been able to make myself believe it. I want to call attention to the price, because it is entirely misleading. The Senator knows the fact that we had a shortage of potatoes for the year ending 1912, when the figure he gave as the unit price was small. We imported last year 13,740,000 bushels of potatoes, in round numbers. In 1910 we imported only 349,000 bushels, and the unit price given is larger in the year 1910. It does not at all bear upon the importations into this country. The Senator would have us believe because the unit price was higher in 1910 the importations were larger.

Mr. SMOOT. I was simply answering the statement made by the junior Senator from Missouri [Mr. REED]. That is the statement he made. I have not made any such statement, and I quoted figures to show otherwise, because I believe that his statement is not borne out by the figures. Does the Senator mean to intimate that the 52 cents a bushel as the unit price of potatoes for 1912 is not correct?

Mr. JOHNSON of Maine. No; and I do not mean to intimate that it is a low price. That is a fair price. The farmers of my State call 40 cents a fair price in the field for raising potatoes. Fifty cents a bushel to the farmer is a fair price for his potatoes. This is given at 52, and it is not a low price.

Mr. SMOOT. There is not any question about the price. The amount of money that was collected by the Government on those potatoes was \$3,434,535, and the value of the potatoes was \$7,175,375. So the unit value must have been 52 cents a bushel. There could not have been any question about it at all.

Mr. STONE. I should like to ask the Senator, if I may, how does he account for this variation in the price of potatoes from year to year under the same duty?

Mr. SMOOT. Mr. President, that is easily accounted for. Wherever there is a light crop of potatoes in this country the price is exceedingly high, just as the Senator from Maine said. Wherever there is a crop of potatoes anywhere in the world the same rule applies. That is the reason why there is a difference in price. The price varies, as quoted in these figures.

Mr. STONE. It varies according to the production, the supply and demand.

Mr. SMOOT. That is not what we were discussing. We were discussing the importations. The Senator from Kansas made the statement that the 25-cent duty was a benefit, in his opinion, to the farmers of this country.

Mr. STONE. It is pretty hard to tell what the Senators on the other side are discussing. They are just reaching out, groping for anything they can get hold of to discuss. Then I should like to ask the Senator—

Mr. BRISTOW. Mr. President, if I have the floor, I will try and enable the Senator from Missouri to understand just exactly what I am discussing. My contention is that if a duty is necessary to protect a manufacturer who buys potatoes and manufactures them into starch and dextrine, and if the Committee on Finance think that that manufacturer of starch should have a cent a pound duty as a protective duty for him, and that the manufacturer of dextrine, which is another step in the process of manufacturing, should have a duty of a cent and a half a pound, half a cent more than the manufacturer of starch receives, and if that is necessary for the prosperity of the manufacturers in order to protect them from severe competition, as was stated by the Senator from Maine, then is it not fair that the farmers, who grow the potatoes and supply these manufacturers with their products, should have the same consideration from Congress? Should they not have a protective duty to the product of their labor the same as that applied to the product of the labor in the factory? That is what I am trying to discuss; but I want to ask the Senator from Missouri if he does not think the farmer is entitled to the same treatment and the application of the same rule to his products which is applied to the manufacturer?

Mr. HUGHES. Mr. President—

Mr. BRISTOW. I should like the Senator from Missouri, if he will, to tell me what he thinks about that proposition.

Mr. STONE. Mr. President, I will yield in a minute to the Senator from New Jersey [Mr. HUGHES], who has addressed the Chair.

Of course, I think that tariff duties and all legislation should be absolutely impartial and just and fair to all interests, if that is what the Senator from Kansas asks me. I did not, and I do not now, seek to go into this discussion, although I am willing to do it. I rose a moment ago because the Senator from Utah [Mr. SMOOT] had referred to a remark made by my colleague [Mr. REED], who has been called out of the Chamber, which remark was to the effect that when the price of potatoes was very low there were little or no importations. I think that is correct, for when the price of potatoes is low it is due largely to the fact that there is an oversupply, and if we have at home an oversupply, there must be but little inducement for importations from abroad.

Mr. SMOOT. But the oversupply may be in foreign countries.

Mr. BRISTOW. If the Senator from Utah will excuse me, for the benefit of the senior Senator from Missouri [Mr. STONE] and for the benefit of the junior Senator from Missouri [Mr. REED], who, unfortunately, has been called out of the Chamber, I will read into the Record what the data furnished us by the Finance Committee show on that point.

Under the Wilson bill in 1906 the duty on potatoes was 15 cents a bushel. The importations that year, according to these data, were 175,474 bushels, and the duty \$26,321. The average price or value of potatoes per bushel was 73 cents; that is, 175,474 bushels were imported with the price at 73 cents.

In 1905, according to the data under the Dingley law, there were imported 180,929 bushels, a duty being paid of \$44,848, or 25 cents a bushel, and the unit of value that year was 95 cents per bushel; that is, an importation of 180,929 bushels at 95 cents a bushel.

In 1910, under the Payne-Aldrich bill, with a duty of 25 cents per bushel, there were imported 349,577 bushels, the unit of value that year being 86.9 cents per bushel and the duty collected aggregating \$87,050.

In 1912, under the same law, the duty being 25 cents a bushel, there were imported 13,744,481 bushels, the unit of value being 52.2 cents per bushel, and the duty paid was \$3,424,535, showing, according to the information which has been furnished us, that there was a far greater importation in 1912 than in any other year, and yet the price was lower.

Mr. JOHNSON of Maine. The Senator from Kansas does not intend to convey the impression that potatoes for the year ending 1912 were lower in this country?

Mr. BRISTOW. I am simply giving the figures which the Senator's committee has furnished the Senate for its information.

Mr. JOHNSON of Maine. Yes; but that does not excuse the Senator, for he has other sources of information.

Mr. BRISTOW. It may not excuse me, but I am free to say—

Mr. JOHNSON of Maine. I ask the Senator from Kansas if he does not know that potatoes were higher for the year ending in 1912?

Mr. BRISTOW. I do not remember the price of potatoes; I am not a dealer in potatoes; and, of course, I only know the price from statistics that come under my observation.

Mr. LA FOLLETTE. Mr. President—

The VICE PRESIDENT. Does the Senator from Kansas yield to the Senator from Wisconsin?

Mr. BRISTOW. I do.

Mr. LA FOLLETTE. I merely rose to call the attention of the Senator from Kansas to the fact that the price or value cited in the tables from which he has just read is, of course, the foreign price, the value of the potatoes in the country from which shipped to this country. That does not give or purport to give the price of potatoes and the value of potatoes in this country at that time.

Mr. BRISTOW. I am obliged to the Senator from Wisconsin for the suggestion, because that clearly shows that the tariff of 25 cents per bushel was of substantial advantage to the farmer during that year. If it had not been for that, his potatoes would have been probably as cheap that year as they were abroad.

Mr. HUGHES. Mr. President—

The VICE PRESIDENT. Does the Senator from Kansas yield to the Senator from New Jersey?

Mr. BRISTOW. These duties are arranged to protect the manufacturer of potato products; but the farmer who produces the potatoes is left to the forces of nature and competition.

Mr. JOHNSON of Maine. Mr. President—

Mr. BRISTOW. If the Senator from Maine will excuse me a moment, the Senator from New Jersey [Mr. HUGHES] rose, and I neglected to yield to him. I will gladly do so now.

Mr. HUGHES. Mr. President, I merely wanted to address myself, first, to the inquiry of the Senator from Kansas with reference to why the farmer was not given a duty upon potatoes while the manufacturer of dextrine was given a duty upon his finished product. Of course, the Senator from Kansas must know that the chief consumer of potatoes is not the dextrine manufacturer, and that no committee of either the Senate or the House could afford to legislate with reference to the relations existing simply between the raisers of potatoes and the dextrine manufacturers. We could not afford to lay a duty upon a hundred million bushels of potatoes because we had given a dextrine manufacturer a duty. I want to call the Senator's attention—

Mr. BRISTOW. If the Senator will just pardon me a moment to ask a question, Why did the Senator propose to impose a duty on dextrine or starch?

Mr. HUGHES. The duty was imposed the same as all other duties have been imposed as nearly as we could for revenue purposes, having in view the situation in which we found ourselves, surrounded with a conglomeration of rates that nobody can understand or see the reason for.

Mr. BRISTOW. The Senator from Maine [Mr. JOHNSON] says that it was to protect the manufacturer of dextrine and starch from destructive competition.

Mr. HUGHES. Mr. President—

Mr. BRISTOW. Just a moment, and I will yield to the Senator.

Mr. HUGHES. Please do not misstate the Senator from Maine.

Mr. BRISTOW. I am not going to misstate the Senator from New Jersey.

Mr. HUGHES. I asked the Senator not to misstate the Senator from Maine. I do not care what the Senator from Kansas does to me.

Mr. BRISTOW. The Senator from New Jersey objects to a duty on potatoes because it would be imposing a tax on the consumers of potatoes. Now, the Senator from Maine says that it is spurious; that it does not amount to anything; that it is no good to the farmer, and does not help him a bit. Then how does it hurt the consumer, let me ask the Senator from New Jersey?

Mr. HUGHES. I want to call the Senator's attention to the fact that in the year which he speaks of, 1912, when such a tremendous quantity of potatoes was imported into this country, he will find that that very year we exported nearly a million and a half dollars' worth of potatoes.

Mr. BRISTOW. Certainly.

Mr. HUGHES. The situation may have been that there was a shortage during one part of the season, and consequently we had to import potatoes. In order to import them we had to compel the people of this Nation to pay over \$3,000,000 into the Treasury of the United States so that they might get enough potatoes to eat, and yet not have advanced the price of a single potato to the farmers in the United States, whose crop might come along later. Then there would be plenty of potatoes at that particular time—enough to supply our own needs and to then export them. I do not know that that is the true explanation, but it is a possible explanation for these apparently irreconcilable things.

There is a situation in which the people of the United States might very well be compelled to pay three or four million dollars into the Treasury of the United States in order that they might get enough potatoes to eat, and yet the farmer receive no benefit.

Mr. BRISTOW. Mr. President, the Senator from New Jersey contends that this tax of 25 cents a bushel is of no benefit to the farmer because it does not increase the price of potatoes.

Mr. HUGHES. I stated—

Mr. BRISTOW. Mr. President, the Senator from Maine [Mr. JOHNSON], I should have said, contends that this tax of 25 cents a bushel is of no benefit to the farmer because it does not increase the price; that it does no good to the farmer; and the Senator from New Jersey [Mr. HUGHES] says that it is a wrong to impose a duty because it does increase the price the consumer has to pay. Now, I should like for those two Senators to adjust their differences as best they may; but it is a strange situation to me to have a bill supported on the other side of the Chamber by one Senator because the duty is of no account and is of no advantage to the farmer upon whose product it is placed and supported by another Senator because it does increase the price of the article, that it does benefit the farmer, and therefore it is wrong to impose it because it increases the cost of living to the man who buys the farmer's product.

Mr. JOHNSON of Maine. Mr. President—

Mr. BRISTOW. Now, if the Senator from Maine will pardon me, I will give him plenty of time after a while. I asked the Senator from New Jersey why he proposed to impose that duty of a cent a pound on starch and a cent and a half on dextrine, and I understood him to say it was for revenue purposes.

Mr. HUGHES. Mr. President, I said, as the Senator from Maine [Mr. JOHNSON] said, that we found a duty upon the raw material and we allowed what we considered a proper differential for the next step in manufacture. I will say to the Senator from Kansas that I have not given this particular item any consideration at all; I am relying solely, as the Senator is, upon the statements made by the Senator from Maine. It may be that it is a greater differential than is necessary. I do not think it is; but it may be that it is. If it is, it will have the result, if there are any importations, of increasing the revenue.

Mr. BRISTOW. No. As between starch and dextrine, that may be true; but let me call the attention of the Senator from New Jersey to the fact that the manufacturer of starch pays no duty at all; his raw material under this bill is free; yet you impose a duty of a cent a pound upon the product which he has to sell and which he makes from the free article.

Mr. HUGHES. I have answered that; and if I have not answered it to the Senator's satisfaction, I can not do any better.

Mr. BRISTOW. I want to know why that duty of a cent a pound was imposed on starch.

Mr. HUGHES. The Senator asks why starch was not placed on the free list?

Mr. BRISTOW. Potato starch; yes.

Mr. HUGHES. One purpose was that we expected to raise some revenue by the imposition of the duty.

Mr. BRISTOW. Well, now, for the purpose of revenue—

Mr. STONE. I think that is about the fifth or sixth time the Senator has asked that question.

Mr. BRISTOW. Just a moment, and I will yield to the Senator from Missouri.

Mr. STONE. The Senator need not yield to me. I think this whole discussion is so silly that it ought to be ended.

Mr. BRISTOW. I am sorry to disturb the mind of the Senator from Missouri. Perhaps it is silly to some people, but it is not silly to the men whose interests are involved.

As I understand, the duty of a cent a pound on starch is proposed for the purpose of getting revenue. If I understand the Senator from New Jersey, his view is that a revenue that is collected by a customs duty is, in fact, collected from the people themselves; they pay it.

Mr. HUGHES. That, of course, is a generalization. I am not as old, I think, as the Senator from Kansas, but I have learned even in my young life not to generalize too freely. I can point to the Senator a hundred industries in this country—or a great many industries, in any event—as to which it can be truly said that the price at which their products are sold has absolutely no relation, one way or the other, to the tariff.

Mr. BRISTOW. I agree to that, in some instances.

Mr. HUGHES. There is no question about that. A tariff of a thousand per cent would not make them a penny higher, and they would not be any cheaper if they were on a free-trade basis.

Mr. BRISTOW. I agree with the Senator as to that. There are commodities on which the tariff does not increase the price. For instance, there have been times when calico sold in the United States for less per yard than the duty on the article. But that is not starch. We have been told here by the Senator in charge of this portion of the bill that this duty is necessary to protect the manufacturer of starch and dextrine from destructive competition, and I am undertaking to argue here—

Mr. JOHNSON of Maine. I am sure the Senator does not wish to misquote me. I do not recall that I ever made that statement. I said that we took into consideration the competition and the fact that there were importations, but I did not say that it was necessary to protect this industry against destructive competition, or anything like that. I said we took into consideration the fact that there were importations.

Mr. BRISTOW. I was mistaken. I ask the Senator's pardon for using the word "protect," because I know that is indeed offensive to some men; but whether you call it protection or something else the result is the same. The manufacturer of potato starch and potato dextrine has a duty of 1 cent and a cent and a half a pound, respectively, as against the foreign importer, while the producer of the potato from which the starch and dextrine is made heretofore had a protective duty, or, at any rate, a duty of 25 cents a bushel, as between him and the foreign producer. That has been taken off, but the manufacturer is left, so far as dextrine goes, with exactly the same

duty protecting him that he had when potatoes were paying 25 cents a bushel duty. I leave it to any reasonable man—

Mr. LANE. Mr. President, if the Senator will allow me, I am no expert on dextrine and know but little about starch, but I am "long" on information on potatoes, and I will say to him that out in the section of country where I live we had a very large surplus crop last year, which we could not sell, and thousands upon thousands of bushels of potatoes are in bins and pits, yet uncovered, and will never be taken out. We will have to make new ones for the crop this fall. The duty has not done much good out there. I rather believe that the condition varies according to the crop and climatic conditions and is different in different parts of the United States. To protect the farmer on his potatoes it would be necessary to have one law applying to the Pacific coast, another to the middle section, and another to the eastern coast. The duty does not help us a bit; that is certain.

Mr. BRISTOW. That argument may be made, of course, as to any duty; but if the Senator had a starch factory out there the farmers in that section doubtless would benefit by it very materially, because it would make a market for their potatoes. That is one reason why I favor a protective tariff, because I want to develop all the various regions of this country by promoting manufacturing establishments, and I want a duty—

Mr. LANE. Mr. President—

Mr. BRISTOW. If the Senator will excuse me a moment. I want a duty which will develop in a legitimate way such industries; but I do not want to protect them at the expense of the man who produces the articles which they use. I want to treat him the same and not penalize him because he happens to be a tiller of the soil and has not the advantages that the great manufacturing concerns have in the marketing of their product.

Mr. MARTINE of New Jersey. Mr. President—

The VICE PRESIDENT. Does the Senator from Kansas yield to the Senator from New Jersey?

Mr. BRISTOW. Very gladly.

Mr. MARTINE of New Jersey. I am deeply touched with the anxiety of the Senator from Kansas for the tiller of the soil and particularly with reference to the potato. The duty of 25 cents per bushel on potatoes has been a mere sop, as the 25 cents a bushel on wheat has been; but we realize no benefit whatever from the tariff on potatoes—not a particle. Last year I saw piled up on Pennsylvania Avenue several hundred bags of potatoes. I stepped into the store and asked the proprietor where they came from. He said, "These bags contain Irish, and these bags Scotch potatoes." "Well," I said, "if you are a patriotic citizen, why do you not buy American potatoes?" Said he, "My dear sir, I could scurry within a radius of 50 miles, and I could not get 200 bushels of potatoes. I bought these potatoes in the New York market"; and he said that hundreds of other sections in our land are buying potatoes in a similar way.

These potatoes bore a duty of 25 cents a bushel. What earthly benefit, I ask, did the farmer who raised potatoes anywhere in Maryland or New Jersey or New York derive from that tariff? Not one whit; but, on the contrary, every consumer in the District of Columbia paid 25 cents a bushel more, and probably a profit on the 25 cents added, for the potatoes that were furnished. I recall that the Senator from New York [Mr. ROOR] last year, in answer to a question, when I cited to him the 25 cents a bushel on wheat, admitted that the farmer had derived little or no benefit from the tariff. I say that was a mere sop, and I say that 25 cents a bushel on potatoes has been the sheerest sop to the American farmer. It has gone on so long that the average farmer understands the situation, and my friend from Kansas need not shed any tears with reference to the farmer. We have applied the system of protection, and it has been like the apples of Sodom, fair without and foul within.

Mr. BRISTOW. Why does not the Senator propose to take the duty off of starch, then? Why does the Senator vote for a cent and a half duty on dextrine and a cent on starch if such protection is the merest deception?

Mr. MARTINE of New Jersey. I am not a member of the Finance Committee and I will trust to their judgment as to that. I should make a very different schedule, perhaps, as the Senator knows, were it left to me; but I trust the judgment and wisdom and studiousness of the majority Senators on the Committee on Finance and the attention they have given to this question.

Mr. NORRIS. Mr. President—

Mr. STONE. How did the Senator from Kansas—

Mr. BRISTOW. I first yield to the Senator from Nebraska, and afterwards I will yield to the Senator from Missouri.

Mr. NORRIS. Mr. President, in relation to what the Senator from New Jersey [Mr. MARTINE] has said, I want to say that all those who are opposed to a tariff on the products of the farmer have always said that the tariff on wheat, for instance, did the farmer no good because we were exporting wheat. The Senator from New Jersey, of course, gives assent to that by a nod of his head. They turn right around, however, and say that the tariff on potatoes does no good to the farmer because we do import potatoes. It must follow, it seems to me, that there must be a benefit to the farmer in one case or the other.

Mr. MARTINE of New Jersey. I said we never import potatoes, except when we do not have them in this country. We buy American potatoes and use them until the supply is exhausted, and then, in the absence of American potatoes, for the well-being of humanity, we are obliged to import them; but I insist that the party that shall place a duty upon that highly essential article of diet is operating against the laws of good sense and of fairness to humanity.

Mr. NORRIS. It may be true that a protective tariff does operate against humanity and that free trade is an equalizer. If you had everything free all over the world, the only difference in the price of commodities between one place and another would be the cost of transportation; but it is the theory of protection that we place our people on a higher plane than the remainder of the world, and that it is the object of it.

My own belief is, I will say to the Senator, that, for instance, if we did not import any potatoes the tariff would not have as much of a beneficial effect as it does when we do import them, and I think in different years, depending upon the amount of the product that we produce, the tariff has a different effect—a greater effect in one year than it does in another.

Mr. MARTINE of New Jersey. It has certainly been of no benefit to the farmer.

Mr. NORRIS. If we exported all our wheat, then the farmer, I will admit, would get no benefit from the tariff. If we had to import it, as we approach the point where we consume practically all that we raise, the tariff in an increasing rate commences to benefit the farmer. But I rose only to call the attention of the Senator from Kansas to the inconsistency of the proposition that on one commodity a duty does not help the farmer, because we do not import any of it, and, on the other hand, on another commodity it does not help him, because we do import some of it.

Mr. HUGHES. We do export potatoes, I will say to the Senator. We exported in 1912 a million and a half dollars' worth of potatoes.

Mr. NORRIS. I think we always have exported some.

Mr. WILLIAMS. If the Senator from Kansas will yield to me for a moment—

The VICE PRESIDENT. Does the Senator from Kansas yield to the Senator from Mississippi?

Mr. BRISTOW. I yield to the Senator from Mississippi.

Mr. WILLIAMS. I do not want the impression to go abroad that potatoes are not an export article of American culture. The trouble with this debate is that Senators have all concluded to take a very exceptional year. It is true that in the year 1912 we imported a little over \$7,000,000 worth and exported, in round numbers, only about \$1,500,000 worth; but in 1896 we imported only \$127,000 worth and exported \$371,000 worth; in 1905 we imported \$168,000 worth, whereas we exported \$750,000 worth, in round numbers; and in 1910 we imported \$300,000 worth, in round numbers, and exported \$755,000 worth, in round numbers. In other words, when the potato business is in its normal condition, the United States imports generally a little over twice as much as it exports. It happens that there was an absolute potato famine in the United States in 1912.

One more word in addition to what I have said and then I shall take my seat. It will not do to say that a duty of 25 cents added to an article at the time of its being imported in a time of famine does not add to the price of the article. It goes without saying that it must. In 1912 the imported potatoes came to this country at a valuation of 52 cents per bushel. That was the foreigner's price laid down in our ports of entry; but that undoubtedly must have been added in order to sell them. The addition of 25 cents would have made 77 cents, the total cost to the American importer if he had paid the duty; and then if you add to that the profit, whatever it might be, the price would have been brought up to, say, 89 or 90 cents. If the contention of the Senator from Kansas were correct, the domestic price of potatoes that year would also have been 89 or 90 cents, after adding the profit, plus the duty, plus the price paid the foreigner; but, as a matter of fact, the domestic price of potatoes in this country, running through the season, was from \$1.50 to \$2 per bushel.

But, as a matter of fact, the domestic price of potatoes in this country, running through the season, was from \$1.50 to \$2 per bushel. What does that prove? It proves that the American price of potatoes in 1912 was the result of the potato famine.

If there had not been so great a dearth of potatoes, a situation might have struck the country when, imports and exports being almost equal, the importations, if they had been large enough, could have borne down the domestic price to the price of the foreign article, plus the duty, plus the profit. But that was not the case in 1912, as the figures demonstrate beyond all cavil to anybody who wants to take what they teach instead of trying to prove something by them.

I do not want to have go abroad the impression probably made by the speech of the Senator from Nebraska [Mr. NORRIS] that ordinarily this is a potato-importing country. It is not. It is a potato-exporting country. It exports twice as much as it imports.

Mr. BRISTOW. If the Senator from Mississippi will pardon me, as I understand, he believes that the duty on potatoes does add to the price of the potatoes?

Mr. WILLIAMS. Why, undoubtedly; when I import a bushel of potatoes I am going to try to get back the duty when I sell them, and not only that, but to get back the duty with a profit. To put a duty upon a foodstuff of absolute importance and necessity to life, as potatoes have come to be, and to have a man's own Government add 25 cents to the 52 cents which they cost and a 20 per cent profit upon the 25 cents before he can get them to feed his wife and his children, is an iniquity.

Mr. BRISTOW. Let me ask the Senator from Mississippi if he thinks it is any worse to impose a duty on food than on clothing. In this country of ours is not clothing practically as essential to life as food?

Mr. WILLIAMS. Mr. President, of course the Senator from Kansas knows beforehand the answer I will make to that question. The answer is that we are facing a condition which you have created. You have put the industries of this country upon stilts. Instead of leaving them unhothoused to win their own way, so that there should be no artificial and false industries in the country, you have created and stimulated them.

We went into the last campaign promising free food to the people as far as possible and free basic necessities of life and of industry. Furthermore, we promised to try not to kill and totally destroy any legitimate industry. In other words, we have met a chaotic, confused fiscal system, and we are dealing with it as we are compelled to deal with it. Any Democrat who will tell you that there is any thread of logic running through this bill forgets that there was no thread of logic running through the thing we are trying gradually to cure, and we can not run any thread of logic through it. We are compelled to deal with the condition as we find it. We are trying to get down to a natural basis for an industry to live and thrive upon without needlessly destroying men who, by law, have been invited into a false position.

The Senator from Kansas knew that would be my answer to his question.

Mr. BRISTOW. As I understand the Senator's remarks, and as I understand his views, he believes the duty should be reduced materially, but not wholly, on manufactured products?

Mr. WILLIAMS. Absolutely, except in some cases where the finished product is a matter of such vital importance to industry or to life that it ought to be made cheap to the consumer regardless of industrial conditions. There are a few cases of that description, but not many.

Mr. BRISTOW. Why should the duty, in effect, be increased on dextrine, as it is in this bill, when the potatoes from which it is made are put on the free list? That is, the duty has been removed from potatoes, but the duty on dextrine remains just the same as in the present law, a cent and a half per pound.

The Senator declared, in substance, that it was very wrong. I do not remember the exact word he used, but I think he said "infamous"—

Mr. WILLIAMS. If the Senator wants an answer to that question, I will give it to him.

Mr. BRISTOW. Very well; I will yield.

Mr. WILLIAMS. The answer is that potatoes are a foodstuff, and dextrine is not; that is all.

Mr. BRISTOW. Starch and dextrine are used in manufacturing processes, largely in the making of cotton cloth; so I inquire if the Senator is in favor of taking the duty off food products and leaving it on the cloth which people have to have in order to clothe themselves?

Mr. WILLIAMS. I think I have already answered that question as fully as my poor, weak intellect is capable of answering it. If the Senator wants me to confess that it is illogical to do that, I will confess it. If the Senator wants me to confess that

it was illogical on the part of the Republican Party to put as high as 200 per cent duty upon the clothing of the people, I will confess it. I will confess that we can not at one fell blow, in one bill, reduce duties as much as we would like to, and as much as they ought to be reduced, without knocking the stilts out from under people that you have put on stilts, and ought never to have put on them.

Mr. BRISTOW. Ah, but in the case of the article now under discussion the protection is, in fact, increased, because the duty is taken off the raw material and not reduced at all upon the finished product.

Mr. WILLIAMS. Mr. President, we have sought in this bill to place duties upon substances not basic necessities, either to life or to industry, for the purpose of bringing in part of the revenue of the Government. I can hardly imagine a consumption tax which would be less burdensome than one upon dextrine.

Mr. BRISTOW. Dextrine is used by cotton manufacturers in making cotton cloth.

Mr. WILLIAMS. We have used it for the purpose of raising revenue for the Government. As long as we are compelled to have any consumption taxes at all, while we may be mistaken, we may have been foolish, we thought dextrine was a very good thing on which to raise some of the revenue.

Mr. BRISTOW. Mr. President, I intend to move to amend the paragraph by reducing the duty on dextrine. What I am objecting to is this—

Mr. WILLIAMS. I want to say to the Senator, in conclusion of my reply, that it is not true that we raised the duty upon dextrine. It is true that we raised the duty only upon potato dextrine.

Mr. BRISTOW. That is the very thing under discussion.

Mr. WILLIAMS. The reason we did that was because we had left the duty upon potato starch, and it was thought necessary, imitating a Republican example, to have a conversion differential.

Mr. BRISTOW. But if the Senator will examine the present law he will find that on potato starch there is exactly the same duty—a cent and a half per pound—that there is on dextrine made from potato starch. So the example the Senator cites does not apply to this discussion, because in the present law there is no such differential.

Mr. WILLIAMS. Still, it is a Republican example, and if the Republican Party departed from it in that particular instance it was an exception to what they generally did.

Mr. BRISTOW. But the Senator said that in this instance he was following a Republican example, and in that he was mistaken.

The Senator vehemently denounces the policy of imposing a duty on food products. I should like to inquire why he favors a duty on rice.

Mr. WILLIAMS. For the same reason that I indicated a moment ago about another matter. That is an industry that you undertook to create and that you put upon stilts. Rice is not a basic necessity of life, as are potatoes and wheat and flour and things of that sort. It is not the ordinary food of the American people, as the Senator very well knows.

Mr. BRISTOW. Do I understand the Senator to say that rice is not an article of food that is in general use?

Mr. WILLIAMS. It is not the ordinary food of the American people, as the Senator very well knows. It is used, for the most part, as an addition to the meal. It is not one of the things which go upon the table of every American citizen every day, and must go there. Flour is one of those things; so is meat; so are potatoes; so are several other things. Let us be frank with one another. The main reason was, however, that you had begun to hothouse a rice industry in this country, and you had succeeded in hothousing it as you could have hothoused a pineapple industry, if you had wanted to, or a banana industry. After you had gotten it in that condition, we were not going to turn around and absolutely destroy it at one fell blow, just because, if we did not, you might say it was a southern production.

Mr. BRISTOW. As I understand the Senator, then, he is in favor of exempting from duties only food products that are absolutely essential to human life and that are on the table every day, while other food products of which a very large amount may be consumed throughout the country may be taxed.

Mr. WILLIAMS. My phrase, "The basic necessities of life," would cover that, I think. Rice is not a basic necessity of life, like bread and meat.

Mr. BRISTOW. Why does the Senator favor a duty on oats?

Mr. WILLIAMS. Oats do not enter into human consumption to any great extent. Oatmeal is used on the breakfast table, but for the most part oats are used for the purpose of feeding stock.

We reduced the duty on oats. I might very well reply to the Senator by asking why he favored a duty on oats three times as large as the one we fixed?

Mr. BRISTOW. My answer to the Senator would be that I did not.

Mr. WILLIAMS. Your party did.

Mr. BRISTOW. I am speaking for myself.

Mr. WILLIAMS. The Payne-Aldrich bill did, and I think the Senator voted for that, did he not? Or did he?

Mr. BRISTOW. The Senator is entirely mistaken. I did not vote for the Payne-Aldrich bill. I voted against it.

Mr. WILLIAMS. Ah. That is one white feather to the Senator's glory, but I had the impression that he had voted for it.

Mr. BRISTOW. Why does the Senator favor putting a duty on bananas?

Mr. WILLIAMS. We put a duty upon bananas for one reason, because they are not an article of every-day food. Another reason was that we put so small a duty upon them that it could not possibly raise the retail price of bananas. The third reason was, that the banana industry in this country is absolutely controlled by the United Fruit Co., which is a trust, and one which not only controls the banana trade, but owns the very ships in the trade, and not only that, but it has bought up most or a great quantity of the land in the Tropics upon which the bananas are raised.

In other words, we found an opportunity to collect a revenue and put it in the Treasury in such a way that the consumer should not pay it, but the United Fruit Co. would have it to pay. It may strike the Senator that that is a bit illogical also, but now and then an occasion of that sort occurs to anybody. We put a duty of one-tenth of a cent a pound upon bananas. That can not possibly be reflected in the retail price at the banana stand or in the family grocery.

I did not make this great discovery about putting a duty upon bananas. My friend the Senator from Oklahoma [Mr. GORE] made it. I wish he were here to-day to answer the Senator from Kansas. He does it so completely and so nicely that I think his answer would remove from the Senator's mind the doubt of the propriety of that tax just as it removed it from my mind. At first I was opposed to the tax upon general principles. I did not want to put upon the dutiable list anything that was not already there if I could help it.

Mr. BRISTOW. I think the Senator from Oklahoma will have abundant opportunity to explain the duty before the bill passes. But if the policy is not to tax food products, I think the Senator from Mississippi will admit that for thousands of people in the United States bananas are a food product.

Mr. WILLIAMS. Why, of course; all things that you eat are food products; but bananas are not an article of basic necessity in food.

Mr. BRISTOW. Heretofore bananas have been on the free list.

Mr. WILLIAMS. Yes.

Mr. BRISTOW. This bill puts them on the dutiable list.

Mr. WILLIAMS. Yes; and putting the tax there is not going to make a banana in the United States cost a cent more, because the duty is small; it is infinitesimal. De minimis non curat lex, and trade non curat, too.

Mr. BRISTOW. I understand, or hope I do. [Laughter.] The trust which the Senator refers to as controlling bananas has it within its power, if it is so all-powerful as the Senator from Mississippi says, to charge up this additional duty to the consumer, as I think it will do.

The Senator endeavors to minimize the importance of rice as a food product. He is a much more learned man than I am, but I invite his attention to what I believe to be a fact, and that is that more people in this world of ours live upon rice than upon wheat.

Mr. WILLIAMS. Oh, Mr. President, I hope the Senator does not wish to put me in the attitude of denying that self-evident proposition. What I said was that rice was not the basic ordinary food product of the American people. Rice is nowhere the food product of the white race. They eat wheat and they eat meat, and that is one reason why they are strong. Of course rice is consumed by more people than wheat is. Rice is consumed by more people than consume wheat and Indian corn put together. But it is consumed by people who are so poor, so destitute, that they can not pay for wheat and meal, and therefore can not eat it, and can not eat meat, either, except on holidays.

Mr. BRISTOW. In this tariff bill it is proposed to put upon the free list the food products that the well-to-do people of this country can have and keep a duty upon the food products that the poor people have to exist upon because they can not

get anything else. That is the logic of the Senator from Mississippi.

Mr. WILLIAMS. It happens that rice, by your peculiar fiscal agency, is not a cheap food product in the United States. It has not been hitherto. By the way, I hope the Senator will not forget, while he is shooting shots at us, that we have reduced the rice duty. We have reduced the Republican rice duty 50 per cent. Give us a little credit for starting on the road that the Senator says is a good road. Give us a little credit for going halfway toward where you want us to go instead of altogether throwing anathemas at us because we do not want to do it all at once. If the duty we have left on rice, which is a 50 per cent reduction, be an iniquity, then the duty you put on it was a double iniquity.

Mr. BRISTOW. I will give the Senator from Mississippi credit for every good thing in the bill, according to my judgment; and there are in this bill duties that I think are improvements on the present law, and for which, if I could, I should be glad to vote. But I can not vote for them without doing the grossest injustice to the agricultural interests of this country by deliberately, and I think outrageously, discriminating against the products of the American farmer in favor of the products of the American manufacturer. Those who represent districts that contain these factories and are familiar with the conditions that prevail therein, can discuss the question as to whether or not the duties here afford sufficient protection. But representing an agricultural State I feel it my duty, in the name of justice to the farmers of the country, the bone and sinew of American citizenship, to denounce a bill that discriminates against them from one end to the other, and puts them in direct competition with the farmers of the world, regardless of conditions; while on the very article that is now under discussion the duty in the present law is maintained because it is alleged by those in charge of the bill that to remove it would injure the factories that produce the commodity.

Mr. President, I move to amend by—

Mr. WILLIAMS. Mr. President—

The VICE PRESIDENT. Does the Senator from Kansas yield to the Senator from Mississippi?

Mr. BRISTOW. I yield to the Senator.

Mr. WILLIAMS. The Senator used the expression that this bill deliberately and outrageously discriminated against the farmer. I have a great deal of respect for the Senator's intellectual integrity. I believe in it. Does the Senator mean to say that he believes in his own heart of hearts that the Democrats in the House and in the Senate have, with deliberate purpose, gone about a scheme of trying to injure the American farmer? Does he believe that?

Mr. BRISTOW. I should not want to attribute to the Senator from Mississippi and his Democratic colleagues any such unworthy purpose.

Mr. WILLIAMS. But the Senator used that language. The Senator said "deliberately and outrageously."

Mr. BRISTOW. I should not want to attribute a vicious purpose to the Senators who constructed the bill. Personally, I have a very high regard for them; and I have respect for their opinions, though I think they are grossly wrong in judgment in many instances. So I will not say that the Senators deliberately undertook to injure the American farmer. I will say, however, that the bill that was prepared as a result of their deliberations will injure the American farmer. It may not have been the intention of the Senators who constructed the bill to injure the American farmer, but they have done so, nevertheless.

Mr. STONE. Mr. President, I think it would be well to allow the Senator from Kansas to offer his amendment.

Mr. BRISTOW. I move, Mr. President—

Mr. SMOOT. Will the Senator yield for just a moment before he makes his motion?

Mr. BRISTOW. I will.

Mr. WILLIAMS. Before the Senator sits down I want to ask him one question. Is he aware of the fact that we have put a greater sum in valuation of manufactured products upon the free list than we have of farmers' products in the pending bill?

Mr. BRISTOW. Of course I am not familiar with the general averages or percentages. Indeed, I do not attach much weight to a general percentage in a bill containing thousands of items.

Mr. WILLIAMS. But I asked whether the Senator was aware that we have put many more thousands of dollars' worth of manufactured products upon the free list than we have of agricultural products?

Mr. BRISTOW. I am not familiar with the total figures. In discussing this bill I expect to deal with the articles just as

I am endeavoring to deal with this item, which I think is grossly wrong.

Mr. STONE. Did I understand the Senator from Kansas to make a motion?

Mr. SMOOT. The Senator yielded to me for just a minute.

Mr. BRISTOW. I withheld the motion at the request of the Senator from Utah.

Mr. SMOOT. Mr. President, I desire to ask one other question of the Senator from Maine [Mr. JOHNSON] or the Senator from New Jersey [Mr. HUGHES], because I think both of them take the same position.

In the pending bill potatoes are free. Potato starch carries a duty of 1 cent per pound. Dextrine made from potato starch carries a duty of 1½ cents a pound. If I understood the Senators aright, they stated that that was done as a differential between the raw material and the finished product of starch, and then a differential between the starch and the dextrine. Am I correct?

Mr. JOHNSON of Maine. A differential between the starch and the dextrine; yes.

Mr. SMOOT. Then, of course, if it is a differential between the starch and the dextrine, it certainly is between the potatoes and the starch. I will let it stand, then, as a differential between potato starch and dextrine. The Senator recognizes the fact—

Mr. JOHNSON of Maine. While I am on my feet I wish to answer the question more fully, if the Senator will permit me.

Mr. SMOOT. Certainly.

Mr. JOHNSON of Maine. I think the Senator from Kansas [Mr. BRISTOW] labors under a false impression. I tried to make the statement to him that the potatoes that go into the starch factories are not the marketable potatoes. The starch factories existing there are really of great benefit to the farmers in that section, and they themselves are interested in those factories.

Mr. SMOOT. We have left out the differential between the potatoes and the starch, and we come now to the differential between the potato starch and the dextrine which is made from potato starch. As I understand, the Senator thinks that is proper. Then, if that principle be correct, can the Senator tell me why in the case of all of the balsams advanced in any condition you impose a duty of 15 per cent, and at the same identical time you impose a duty of only 15 per cent upon all chemical compounds made from balsams?

Mr. JOHNSON of Maine. Mr. President, that may involve a knowledge of medical compounds which I do not possess. I do not know but that the Senator from Utah has that knowledge. I imagine it is a very simple matter for druggists to use a balsam in compounding a medicine; and I have an idea that the process can not be, or ought not to be, compared with the process which takes place in converting starch into dextrine.

Mr. SMOOT. Oh, Mr. President, that is true. The Senator is correct in saying they should not be compared, because of the fact that the process of taking the balsams and producing a medical compound from them is exceedingly more difficult than the production of dextrine from starch. I call attention to the fact simply to show the inconsistencies of the rates of the bill.

Mr. CUMMINS. Mr. President, I do not intend to prolong very much the discussion in regard to potatoes, but I was very much impressed with an illustration used by the Senator from Mississippi [Mr. WILLIAMS]. He said the Democrats found this country on stilts—stilts provided in the Payne-Aldrich tariff law. I agree with the Senator from Mississippi that the Payne-Aldrich tariff law gives to the American body, or the American legs, stilts that are altogether too high, but I think the way in which to reduce those stilts is to saw off a fair length from both legs. The Senator from Mississippi seems to think that the way in which to proceed is to saw off one leg entirely and leave the other substantially as long as it has been.

Mr. WILLIAMS. Now, Mr. President—

Mr. CUMMINS. I think that will produce a very disjointed, a very perverted sort of industrial body. I think we ought to cut down evenly, and that the agricultural leg ought not to be made much shorter than the manufacturing leg.

Mr. WILLIAMS. Mr. President, I want to ask the Senator this question: Does the Senator assert now, or will he assert, that we have not reduced duties upon manufactures every bit as much as we have upon agricultural products in this bill?

Mr. CUMMINS. I do not think you have.

Mr. WILLIAMS. And that the percentage of reduction, upon examination, will be found to be equal or greater?

Mr. CUMMINS. I do not believe it will be found as great on manufactures as on agricultural products.

Mr. WILLIAMS. We found one leg longer than the other was when we came to it, and we have taken off an equal measure from both legs, and the poor, crippled thing will still go stumbling along the way you had it already stumbling along.

Mr. CUMMINS. If the Democratic Party is to fulfill its mission and it has found one leg longer than the other it ought to have evened them up—

Mr. WILLIAMS. But—

Mr. CUMMINS. And not to have left the American body a cripple, as it was left, according to the view of the Senator from Mississippi, by the Republicans.

Mr. WILLIAMS. We struck a poor fellow who had gotten so in the habit of walking with one leg longer than the other we were afraid we would kill him if we made him walk all at once on equal legs. He did not know how to walk on legs of the same length at all.

Mr. CUMMINS. I think the Senator from Mississippi is now disclosing the truth. He has deliberately taken off one of the legs of this great industrial body, at least the artificial part of it, and has left the other reduced somewhat, but more misshapen than it was before.

Now, why did not the Democrats join with the proposition made by those who really wanted to reduce the tariff and bring about some uniformity in the body of this great American people? If the Senator from Mississippi had wanted, as it seems to me, to have produced what might be called a fair and even condition among the people of the United States, he would have preserved upon agriculture the same measure of duty that he gave to manufactures.

Mr. WILLIAMS. Mr. President, if there is a duty of 10 per cent upon a product and you put it on the free list, you have reduced the duty 10 per cent. If there is a duty of 60 per cent upon a product and you reduce it to 30 per cent, you have reduced the duty 50 per cent. The fact that when you get through with the reduction your reduction of only 10 per cent leaves one thing upon the free list and the other upon the dutiable list has nothing to do with the question.

I see the Senator from Utah [Mr. SMOOT] shaking his head at me, from which I imagine that he imagines that a reduction from 60 per cent down to 30 per cent would not be a half reduction, or a reduction of 50 per cent.

Mr. SMOOT. No, Mr. President; suppose that 10 per cent had been reduced to 5 per cent; that would have been 50 per cent. If you reduce it 10 per cent or it goes on the free list, that is only a 10 per cent reduction.

Mr. WILLIAMS. Oh, no.

Mr. SMOOT. That is what the Senator said.

Mr. WILLIAMS. That does not follow. When I take 10 per cent off a thing which bears 10 per cent and take 30 per cent off a thing which bears 60 per cent, I have reduced the duty in that case three times as much as I have in the first. If I reduce a duty from 10 to 5 per cent, I have taken off 5 per cent, and if I had reduced the entire duty from 60 to 30 per cent I would have taken off 30 per cent; and I would have reduced the duty in the latter case six times as much as I did in the other. I thought the Senator from Utah was smiling before he knew what he was smiling at.

Mr. SMOOT. No.

Mr. CUMMINS. Mr. President, I did not see the Senator from Utah smile, and so I do not know what he meant by his smile. He has a great variety of expressions, as I suppose all of us have.

Now, I do not want to be jocular about it. The trouble with this bill is that the party that framed it did not pursue any principle whatsoever in reaching these duties. As I said the other day, it started out persuaded, I assume, that it ought to compose a tariff bill chiefly if not wholly for the purpose of raising a revenue. If that motive had absorbed the minds of the committee it would have given no attention whatever to the difference in the cost of production here and abroad. It would have paid no heed to that fact in fixing a particular duty. It would have gone on upon well-established lines and presented here a revenue tariff, and if it had presented a revenue tariff there would have been put upon the products of agriculture the same measure of duties, looking at the imports and probability of imports, that were put upon manufactured products.

But, as stated a moment ago by the Senator from Mississippi, it found some manufactures that could not be produced in this country if that plan had been pursued. Apparently it did not want to destroy entirely those domestic manufactures. Therefore, in many instances, as in the instance of dextrine, it has left a duty which I think is too high, higher than necessary to compensate between the cost of production here and abroad.

But passing over to an agricultural product, it then was confronted by the supposed necessity of reducing the price of

things which people eat, and being confronted with that it gave no attention whatever to what was required by agriculture. It was willing to preserve the status quo, a portion of the status quo anyhow, with regard to manufactures, but it was willing to sacrifice the farmer, not because the Senator from Mississippi has any malice against the farmer, but because the thing that he produced passed into people's stomachs instead of being worn on their backs.

I assert here, as I shall assert everywhere, that a tariff composed upon that convoluted, distorted, warped, and mixed principle necessarily perpetrates a great injustice upon the American people.

I should like to see the manufacturing duties as they are in the Payne-Aldrich law generally reduced, but I am not willing to see the discrimination which is practiced in this bill.

A great many of the duties that are put upon manufactures here are insufficient. I know that a great many of them are inadequate, but a great many of them are abundantly high. Let me give an instance right here, as we are on this subject, and I should like to have an answer.

This bill puts a duty of 1 cent a pound upon potato starch, and it puts a duty of half a cent a pound on cornstarch. Why do you make that difference? I would like to know why you put a duty of a cent a pound upon potato starch and a duty of half a cent a pound on cornstarch.

Furthermore, I should like to know why you put a duty of a cent a pound on potato starch and a duty of half a cent a pound on cornstarch and allow tapioca flour and sago flour, which are starches and nothing else, to come in free. They are not produced in the United States at all, and yet they come into actual everyday competition with both potato starch and cornstarch. Of all the sago flour and tapioca flour brought into the United States last year, nine-tenths of it was used for starch and not for food.

Mr. MARTINE of New Jersey. Potato starch is not used as a diet. Tapioca flour and tapioca are foods.

Mr. CUMMINS. Oh, the Senator from New Jersey can not escape this inconsistency by that suggestion.

Mr. MARTINE of New Jersey. I speak not of the starch but of tapioca.

Mr. CUMMINS. A form of sago and tapioca is used for food, but the sago flour that comes in and the tapioca flour that comes in are not used for food. It comes in in a form called pearl flake, fit for food, and is then used for food.

But I say to the Senator from New Jersey, although I have not the figures immediately on my desk, as I remember it, more than nine-tenths of all these commodities that are brought in to compete with cornstarch and potato starch come in as sago flour and tapioca flour. If anyone on the other side of this Chamber can explain to me why the committee has put a duty of a cent a pound upon potato starch and half a cent a pound on cornstarch and no duty at all on sago starch and tapioca starch, he will have performed a task that looks to me impossible. There was more reason for putting a duty on sago and tapioca than upon potatoes or corn. Why? Neither of the former products is produced in the United States, and the revenue idea, as it seems to me, would have demanded that some duty be put upon those articles. But if it is said that we do allow them to come in free in order that the little, insignificant quantity that is used for food should not be taxed, tell me, then, why you tax rice, why you tax oatmeal, why you tax bananas, and why you tax things of that sort?

Mr. MARTINE of New Jersey. I will say that I am not here to defend the tax on rice or the tax on oatmeal or bananas.

Mr. CUMMINS. Of course not.

Mr. MARTINE of New Jersey. There are some things that my conscience rebels against.

Mr. CUMMINS. We on this side—at least those who believe with me that we ought to pass through this measure and make reductions that would accommodate or fit the bill to meet the demands of this time—are simply amazed when we see that what is presented to us by our friends on the other side has inconsistency in every line and every paragraph, and collides with itself whenever we bring two parts of it together.

I will pause for an answer to the question I have just put.

Mr. JOHNSON of Maine. The Senator from Iowa inquired why the difference was made in the duty between potato starch and all other starches. I will say to the Senator that that same difference was made in the present law. The duty upon potato starch in the present law I read:

Starch made from potatoes, 1½ cents per pound; all other starches, including all preparations from whatever substance used as starch, 1 cent per pound.

That is reduced to half a cent a pound in this bill, but in both measures there has been a difference between the two

kinds of starches because of the difference in the cost of manufacture.

Mr. CUMMINS. But may I say to the Senator from Maine that he has disclaimed any intention of being governed or controlled by the difference in the cost of manufacture.

Mr. JOHNSON of Maine. The Senator from Iowa never heard me make the statement anywhere that we disregarded the cost of production or the cost of manufacturing. We have to take that into consideration with all other elements which are to be taken into consideration.

Mr. CUMMINS. The distinguished Senator from North Carolina [Mr. SIMMONS] made that statement when he presented the bill to the Senate. He adopted the views of the majority of the Ways and Means Committee of the House, in which the cost of production as being material to duties upon commodities was entirely repudiated and rejected.

Mr. JOHNSON of Maine. I did not so understand the Senator from North Carolina to state; but that that was not the controlling factor and not to be the controlling factor in adjusting tariff duties, because of the fact which was evident here only at the last session, of the great difficulty in ascertaining the difference in the cost of production. In the cost of the manufacture of paper between the cost in this country and over in the other country, a contiguous country, we found a great difference between the cost there and in the mills of this country, and the cost there, too, varied.

So far as I have any opinion about it, and so far as I have been guided, I will say to the Senator that we have not disregarded, and I do not understand my colleagues who have served with me have disregarded, entirely the cost of the manufacture of an article, but have taken that not as the controlling factor, but as one of the factors to be considered in arriving at a just and fair rate of duty in dealing with conditions as we found them.

Mr. CUMMINS. Mr. President, I can not understand—

Mr. JOHNSON of Maine. One other observation, if the Senator will pardon me. He also stated that we have placed sago and sago flour upon the free list. They were upon the free list, and we have made no change in them. The only change is that we have cut the duty upon potato starch and the duty upon other starch, and then as to dextrine we tried to make the duty correspond to the duty upon the raw material from which the different dextrines are made.

Mr. CUMMINS. Mr. President, I do not accept the answer just made by the Senator from Maine as sufficient, although he undoubtedly believes it so. Because these duties were improperly adjusted in the Payne-Aldrich bill is no defense against an improper adjustment in this bill. It is difficult for me, of course, to consider the case from that standpoint, because there were so many things that were wrong in the Payne-Aldrich bill. Nothing illustrates that better than the reference just made by the Senator from Maine with regard to sago flour and tapioca flour. Of course, we all understand that these importations are required in the manufacture mainly of cotton goods, and the manufacturer of cotton goods wanted to get this starch just as cheaply as possible. It was observed when the Payne-Aldrich bill was under consideration that a great wrong was being done, and upon the floor of the Senate, after debate, a duty was attached to sago and tapioca not in edible form. That was the judgment of the Senate. The bill passed in that way to a conference committee, and when it emerged from the conference committee sago and tapioca were on the free list, put there, as I have always believed, under the influence of those who wanted their raw material free. I would have cared nothing about that save that this starch comes into direct competition with cornstarch and potato starch, and it seemed to me most unfair to impose a duty on one kind and allow the other to come in free.

I am sorry that the Senator from Maine has, probably without any investigation whatever, adopted the wrong that was done in 1909 and perpetuated it in this bill by putting these two commodities on the free list, whereas they ought to bear a reasonable duty. They ought to bear as high a duty at least as cornstarch. They really ought to bear as high a duty as potato starch. The truth is that, so far as I know, there is not a single reason for not attaching a common uniform duty to all these starches.

I hope that the majority members of the Finance Committee, having now seen that there is no justification for the classification which has been made and that an injustice is being done by continuing that classification, will recall this paragraph and the one in the free list, and will right the wrong that began long ago.

Mr. SIMMONS. I wish to inquire what amendment is now pending.

The VICE PRESIDENT. The committee amendment is before the Senate.

Mr. BRISTOW. I move to amend, on line 3, page 10, by striking out "and one-half."

The VICE PRESIDENT. The amendment will be stated.

The SECRETARY. On page 10, line 3, after "one," strike out "and one-half," and strike out "cents" and insert "cent," so that if amended it will read:

Dextrine, made from potato starch or potato flour, 1 cent per pound.

Mr. BRISTOW. Mr. President, I desire to say that this places the same duty on dextrine made from potato starch that is imposed on the potato starch. The present law imposes the same duty on potato starch and dextrine, a cent and a half on each. The House reduced those duties to 1 cent on the starch and to three-fourths of a cent on the dextrines. I can readily see that there should not be a less duty on the dextrine made from the starch than on the starch itself; but since the present law imposes the same duty on both and since the duty on starch is reduced from 1½ cents to 1 cent, since the manufacturer of starch under this bill receives his potatoes free, I can not see why this one-half cent additional should be added; that is, I can not understand why the dextrine should carry the same duty as the Payne-Aldrich law when the article from which it is made is put on the free list, and when it carried a duty of 25 cents a bushel before.

I believe that a cent a pound is enough for both these articles with a reasonable duty on potatoes also. So I probably will move to amend as to potatoes when we reach that part of the bill. I certainly do not see how our friends who are in favor of reducing duties can put the raw material on the free list when it now carries a duty, and then carry the same duties on the manufactured product that we have now.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Kansas.

Mr. BRISTOW. On that I ask for the yeas and nays.

The yeas and nays were ordered, and the Secretary proceeded to call the roll.

Mr. BRYAN (when Mr. FLETCHER's name was called). My colleague [Mr. FLETCHER] is absent on public business. He is paired with the junior Senator from Wyoming [Mr. WARREN].

Mr. THOMAS (when his name was called). I transfer my pair with the senior Senator from New York [Mr. ROOT] to the Senator from Oklahoma [Mr. GORE] and vote. I vote "nay."

Mr. WILLIAMS (when his name was called). I desire to transfer my pair with the Senator from Pennsylvania [Mr. PENROSE] to the junior Senator from Mississippi [Mr. VARDAMAN] and vote. I vote "nay."

The roll call was concluded.

Mr. REED. I transfer my pair with the Senator from Michigan [Mr. SMITH] to the Senator from Nebraska [Mr. HITCHCOCK] and vote "nay."

Mr. CHILTON. I transfer my pair with the junior Senator from Maryland [Mr. JACKSON] to the Senator from Arizona [Mr. SMITH] and vote "nay."

Mr. GALLINGER. I wish to announce that the Senator from Wisconsin [Mr. STEPHENSON] is paired with the Senator from Tennessee [Mr. LEA].

Mr. MYERS. I inquire if the Senator from Connecticut [Mr. MCLEAN] has voted?

The VICE PRESIDENT. He has not.

Mr. MYERS. I have a pair with that Senator. I transfer that pair to the Senator from Virginia [Mr. MARTIN] and vote "nay."

Mr. SMOOT. I desire to announce that the junior Senator from Wisconsin [Mr. STEPHENSON] and the senior Senator from Delaware [Mr. DU PONT] are unavoidably detained from the Senate. I shall let this announcement stand for the day.

The result was announced—yeas 29, nays 46, as follows:

YEAS—29.

Borah	Colt	Kenyon	Smoot
Bradley	Crawford	La Follette	Sterling
Brady	Cummins	Nelson	Sutherland
Bristow	Dillingham	Norris	Townsend
Burton	Gallinger	Page	Works
Catron	Goff	Perkins	
Clapp	Gronna	Polindexter	
Clark, Wyo.	Jones	Sherman	

NAYS—46.

Ashurst	Johnston, Ala.	Pomerene	Smith, Md.
Bacon	Kern	Ransdell	Smith, S. C.
Bankhead	Lane	Reed	Swanson
Brandegee	Lewis	Robinson	Thomas
Bryan	Lodge	Saulsbury	Thompson
Chamberlain	Martine, N. J.	Shafroth	Thornton
Chilton	Myers	Sheppard	Tillman
Clarke, Ark.	O'Gorman	Shields	Walsh
Hollis	Oliver	Shively	Weeks
Hughes	Overman	Simmons	Williams
James	Owen	Smith, Ariz.	
Johnson, Me.	Pittman	Smith, Ga.	

NOT VOTING—21.

Burleigh	Hitchcock	Martin, Va.	Stone
Culberson	Jackson	Newlands	Vardaman
du Pont	Lea	Penrose	Warren
Fall	Lippitt	Root	
Fletcher	McCumber	Smith, Mich.	
Gore	McLean	Stephenson	

So Mr. BRISTOW's amendment was rejected.

The VICE PRESIDENT. The question is on the amendment proposed by the committee.

The amendment was agreed to.

The reading of the bill was resumed on page 10, line 6, paragraph 38, as follows:

38. Ink and ink powders, 15 per cent ad valorem.

Mr. LODGE. Mr. President, I regard that duty as altogether too low, but I do not care to enter into any discussion of it or to delay the Senate by asking for a useless vote. I will, however, request that a letter of one or two pages in reference to the matter may be printed in the RECORD, without reading.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the letter will be printed in the RECORD.

The letter referred to is as follows:

THE CARTER'S INK CO.,
Boston, Mass., March 20, 1912.

Hon. HENRY CABOT LODGE,
United States Senate, Washington, D. C.

DEAR SIR: We thank you for your favor of the 14th instant and for the copy of the tariff bill referred to therein.

We fear we shall not be able to be represented at any of the hearings before the Finance Committee of the Senate, and we shall therefore appreciate it if you will present to the committee some of the following points:

It is impossible, of course, for us to know with absolute certainty what it costs our foreign competitors to produce packages of inks and adhesives similar to ours, but we can get a pretty accurate general idea from some of the prices which we find them making continually in competition with us.

The smallest and cheapest package which we are able to produce is a one-ounce bottle of ink, which costs us on our shipping floor \$1.83 per gross. We might make this a little cheaper by sacrificing all the attractiveness and convenience of the label and stopper, but any such saving would be a matter of a few cents at the outside.

On the other hand, we have taken the nearest similar packages of five of our principal English and German competitors, some of which are actually larger than ours, and find that the regular selling prices of these packages in the markets of the world run from 84 cents a gross to \$1.26, averaging \$1.12. Assuming that all these competitors are selling their goods at cost, which is hardly to be supposed, it appears that their manufacturing cost is 39 per cent less than ours, and as a matter of fact the percentage must be even greater than this.

On mucilage the situation is similar. Our cheapest package costs us on the shipping floor \$1.90, and those of the same competitors range from 96 cents to \$1.62 in their regular selling prices, so that their average cost, assuming that they are selling at cost, is 34 per cent less than ours.

We meet some of these competing manufacturers only in foreign markets, but two of the English manufacturers have for years had an established trade in the United States and Canada, while the Germans, as well as the English, constitute our strongest competition in the South American field, which we and other American manufacturers are endeavoring to develop. The Germans are already solidly established in Mexico, and there is no apparent reason why they should not at any time attempt to enter the United States market. A reduction such as is contemplated by the proposed bill would, of course, be a direct encouragement to them to do so, and also to our English competitors to renew their efforts.

It seems clear to us that the former duty on ink of 33½ per cent was quite as low as it should be in order to take care of the actual difference in manufacturing costs for these products in the United States and abroad. While we have continued to hold our own, in spite of the last reduction, it seems as if there could be no good reason for a further reduction, unless the most moderate basis of protection is to be disregarded. Our industry is a small one as compared with most of those which occupy the attention of Congress and of the country, but we do not imagine nevertheless that any except outright free traders would therefore contend that it was not equally entitled to protection.

We trust you may be able to secure a restoration of the higher rate.

Yours, very truly,

THE CARTER'S INK CO.,
RICHARD B. CARTER, President.

The reading of the bill was resumed.

The next amendment of the Committee on Finance was, on page 10, line 11, paragraph 40, after the words "licorice root," to strike out "unground"; so as to make the paragraph read:

40. Leaves and roots: Buchu leaves, 10 cents per pound; coca leaves, 10 cents per pound; gentian, ½ cent per pound; licorice root, ½ cent per pound; sarsaparilla root, 1 cent per pound.

The amendment was agreed to.

Mr. BURTON. Mr. President, every one of the items contained in that paragraph, with one exception, is now free from duty. There is at present a duty of 5 cents a pound on coca leaves. The same principles are in a measure involved in this case as those in regard to camphor. There seems to have been an impression that coca leaves are used for purposes that are injurious; but they are also used for the preparation of cocaine, which is absolutely necessary in surgery and an essential article.

I move to strike out "Buchu leaves, 10 cents per pound," in that paragraph.

The VICE PRESIDENT. The amendment proposed by the Senator from Ohio will be stated.

The SECRETARY. On page 10, line 9, paragraph 40, after the word "roots," it is proposed to strike out "Buchu leaves, 10 cents per pound"; and to begin the following word, "coca," with a capital "C."

The VICE PRESIDENT. The question is on the amendment proposed by the Senator from Ohio [Mr. BURTON].

The amendment was rejected.

Mr. BURTON. I now move to strike out the latter part of the paragraph, beginning with the word "gentian," in line 10.

The VICE PRESIDENT. The amendment proposed by the Senator from Ohio will be stated.

The SECRETARY. On page 10, line 10, paragraph 40, after the word "pound," it is proposed to strike out:

Gentian, $\frac{1}{2}$ cent per pound; licorice root, $\frac{1}{2}$ cent per pound; sarsaparilla root, 1 cent per pound.

The VICE PRESIDENT. The question is on the amendment proposed by the Senator from Ohio.

The amendment was rejected.

The reading of the bill was resumed, on page 10, line 13, as follows:

41. Licorice, extracts of, in pastes, rolls, or other forms, 1 cent per pound.

42. Lime, citrate of, 1 cent per pound.

Mr. BURTON. I move to strike out paragraph 42.

The VICE PRESIDENT. The Senator from Ohio moves to strike out paragraph 42, which has just been read.

Mr. BURTON. It is to strike out the duty of 1 cent per pound proposed to be imposed on citrate of lime. That is a raw material, which is now free. The importations of that article are more than 5,000,000 pounds. It is an article extensively used, and the raw material is not produced in this country.

The VICE PRESIDENT. The question is on the amendment proposed by the Senator from Ohio.

Mr. NORRIS. I ask for the yeas and nays.

The yeas and nays were ordered, and the Secretary proceeded to call the roll.

Mr. CHILTON (when his name was called). I make the same announcement as to my pair and its transfer as I did on the preceding roll call and vote. I vote "nay."

Mr. MYERS (when his name was called). I transfer the pair which I have with the Senator from Connecticut [Mr. MCLEAN] to the Senator from Virginia [Mr. MARTIN] and vote. I vote "nay."

Mr. REED (when his name was called). I transfer my pair with the Senator from Michigan [Mr. SMITH] to the Senator from Nebraska [Mr. HITCHCOCK] and vote. I vote "nay."

Mr. WILLIAMS (when his name was called). I wish to transfer my pair with the Senator from Pennsylvania [Mr. PENROSE] to my colleague, the junior Senator from Mississippi [Mr. VARDAMAN] and to vote. I vote "nay."

The roll call was concluded.

Mr. THOMAS. I transfer my pair with the Senator from New York [Mr. ROOT] to the Senator from Oklahoma [Mr. GORE] and vote. I vote "nay."

Mr. SHIELDS. I desire to announce that my colleague, the senior Senator from Tennessee [Mr. LEA], is necessarily absent on business, and that he is paired with the junior Senator from Wisconsin [Mr. STEPHENSON].

Mr. CHAMBERLAIN (after having voted in the negative). I notice that the junior Senator from Pennsylvania [Mr. OLIVER] has not voted, and I therefore withdraw my vote. I have a general pair with that Senator.

The result was announced—yeas 30, nays 42, as follows:

YEAS—30.

Bradley	Colt	La Follette	Smoot
Brady	Crawford	Lodge	Sterling
Brandegge	Cummins	Nelson	Sutherland
Bristow	Dillingham	Norris	Townsend
Burton	Gallinger	Page	Weeks
Catron	Gronna	Perkins	Works
Clapp	Jones	Poindexter	
Clark, Wyo.	Kenyon	Sherman	

NAYS—42.

Ashurst	Johnston, Ala.	Ransdell	Smith, S. C.
Bacon	Kern	Reed	Stone
Bankhead	Lane	Robinson	Swanson
Borah	Lewis	Saulsbury	Thomas
Bryan	Martine, N. J.	Shafroth	Thompson
Chilton	Myers	Sheppard	Thornton
Clarke, Ark.	O'Gorman	Shields	Tillman
Hollis	Overman	Shively	Walsh
Hughes	Owen	Simmons	Williams
James	Pittman	Smith, Ga.	
Johnson, Me.	Pomerene	Smith, Md.	

NOT VOTING—24.

Burleigh	Goff	McCumber	Root
Chamberlain	Gore	McLean	Smith, Ariz.
Culbertson	Hitchcock	Martin, Va.	Smith, Mich.
du Pont	Jackson	Newlands	Stephenson
Fall	Lea	Oliver	Vardaman
Fletcher	Lippitt	Penrose	Warren

So Mr. BURTON's amendment was rejected.

The reading of the bill was resumed, on page 10, line 16, with paragraph 43, as follows:

43. Magnesia: Calcined, $3\frac{1}{2}$ cents per pound; carbonate of, precipitated, $1\frac{1}{2}$ cents per pound; sulphate of, or Epsom salts, one-tenth cent per pound.

44. Menthol, 50 cents per pound.

Mr. NORRIS. Mr. President, I should like to inquire of the Senator in charge of this portion of the bill what is the object of the increased duty contained in the last paragraph read? I understand it is an increase over the present law. I refer to the clause in reference to menthol.

Mr. JOHNSON of Maine. Mr. President, it is merely a revenue duty. Menthol is imported.

Mr. NORRIS. Well, Mr. President, can the Senator give me any information as to the production of it?

Mr. JOHNSON of Maine. There is no production in this country, I will say to the Senator; it is imported. The figures show that in 1912 we imported \$200,000 worth, on which there were collected duties amounting to \$50,000. The rate has not been raised. The Senator is wrong about that. The rate under the present law is 25 per cent. We propose a specific duty of 50 cents a pound, which is equivalent to an ad valorem of 16.67—a considerable reduction.

Mr. NORRIS. Now, I should like to ask the Senator if it is not an article of common use in medicine?

Mr. JOHNSON of Maine. It is used in medicine.

Mr. NORRIS. Is there any other reason for putting any duty on it except to raise revenue?

Mr. JOHNSON of Maine. As I said, the duty has been imposed for the purposes of revenue only.

Mr. NORRIS. I desire to ask the Senator if this paragraph were stricken out, would this article under this bill go into what is known as the basket clause?

Mr. JOHNSON of Maine. It would go into the basket clause at 15 per cent.

Mr. NORRIS. I am much obliged to the Senator. Mr. President, it seems to me that this article ought to be on the free list.

Mr. CRAWFORD. What is the proposed ad valorem rate?

Mr. NORRIS. It is estimated here to be 16.67 per cent ad valorem.

Mr. WILLIAMS. May I ask the Senator why he thinks it ought to be on the free list?

Mr. NORRIS. Because, in the first place, it is an article, as I understand, of common use in medicine, and not produced in this country.

Mr. WILLIAMS. Now, Mr. President, the first reason is a very good one—

Mr. NORRIS. So that it is putting a direct tax on those who must use it in the case of sickness. In my opinion, such articles ought to be placed on the free list.

Mr. WILLIAMS. Mr. President, the Senator has given two reasons. The first one has some reason in it and perhaps some merit in it, but the second reason has none at all, to wit, that the article is not produced in this country. That is a recommendation. Where you want to raise revenue it is well, wherever you can, to raise it upon products that are not produced in this country, because, then, when subsequently you either lower the rate or raise the duty you do not disturb domestic business conditions.

There is another good reason why it is preeminently fitted to raise revenue, and that is, that every dollar which the consumer pays upon it goes into the people's Treasury. Therefore, what the American citizen pays in his individual capacity comes back to him in his collective capacity.

I hope the Senator will not forget the difference between the standpoint of the two parties upon this question. He may regard it as very reprehensible to put a duty upon an article that is not produced here, whereas we regard it as an ideal revenue article, first, because every dollar of it goes into the Treasury and none of it into private pockets, and, secondly, because you can change the laws of your country afterwards with regard to an article like that to meet revenue necessities and raise or lower the duty without disturbing any domestic business.

Mr. POINDEXTER. Mr. President—

The VICE PRESIDENT. Does the Senator from Mississippi yield to the Senator from Washington?

Mr. WILLIAMS. Certainly.

Mr. POINDEXTER. It is just as much of a tax upon the consumer, is it not, as when levied on the manufactured article?

Mr. WILLIAMS. Absolutely. It is just as much of a tax upon the consumer as if a part of it went into the pockets of the manufacturer; but the consumer has the consolation of knowing that what he has paid as a citizen in his individual capacity

has been received by the American people, of whom he is one, in a collective capacity. That is the difference.

Nobody disputes the right of the Government to levy a tax. The Government has a right to levy a tax of 100 per cent upon me if it is necessary to carry on the Government; it has a right to levy a tax upon my very life if necessary to save the life of the Republic; but the Government, according to our standpoint, has no right, although we are here in this bill respecting a lot of vested wrongs, to levy a tax for the purpose of enriching or profiting somebody else. Therefore an ideal article for a revenue duty is an article which is not produced in the United States.

Mr. NORRIS. Mr. President, I think the Senator from Mississippi has fairly stated the difference in principle. He believes in the principle of a tariff for revenue only, and it is true, as the Senator has said, that you will get the largest amount of revenue if you levy the tax upon something that is not produced in this country.

The Senator concedes that there is something in the other reason I gave. To me and to those who believe as I do, in a reasonable protection, the fact as to whether something is or can be produced in this country has a great deal to do with the levying of a tax upon any article of commerce that is imported into the country. This, in my judgment, however, even though I believed in a tariff for revenue, would be the last place where I should want to levy tribute.

The Senator says, and he says truly, that the Government has a right to levy a hundred per cent, if it wants to, upon any individual or upon any particular article. The right and reason of it are, however, two different things, in my judgment. This, as the Senator has said, is an instance where there is no doubt, no dispute between any of us that the consumer will have to pay the amount of the tax as levied and, as the Senator says, it is levied upon the people who use it and the contribution goes to all of the people in their collective capacity. It seems to me that is levying a tax upon those who are in distress and who are sick; and that is the last place to which we ought to ask the Government to reach out its hand and levy a tax for the support of the Government. It seems to me that it is one of the instances where there should be absolute free trade in the article.

Mr. WILLIAMS. Mr. President—

Mr. NORRIS. I yield to the Senator.

Mr. WILLIAMS. If the Senator will pardon me, he has used the phrase "levying a tax." I beg to call the Senator's attention to the fact that the tax is already levied at the rate of 25 per cent, and that this bill reduces it to 16.6 per cent; in other words, it reduces it about one-third.

Mr. NORRIS. Yes; I understand that; but I am surprised that Senators on the other side should so often defend the much condemned Payne bill. I think that the proposed rate of the bill, if the ad valorem is figured correctly—and I presume it is—is an improvement over the present law; but, because there is something wrong—and there are a great many things wrong in the present law—is no reason why, in my judgment, something that should not at all be burdened with taxation should be included in the list of those things that must pay a tariff. This rate is high; it is 50 cents a pound, which amounts to an ad valorem duty, as estimated by the committee, of practically 17 per cent. It seems to me, therefore, Mr. President, that the motion I have made ought to prevail, and if it does I desire to give notice that when we come to the free list I will make a motion to put this article on the free list.

Mr. LODGE. If the Senator will allow me—

Mr. NORRIS. I yield to the Senator.

Mr. LODGE. It seems to me—and although the Senator has been bringing it forward, I think it well deserves emphasis—that a broad distinction has always been made in taxation on consumption between articles of voluntary and articles of involuntary use.

Mr. NORRIS. I think so.

Mr. LODGE. Tobacco and wine, for instance, are taxed by all nations. They are articles of consumption, but of voluntary use, while medicines that must be used by the sick are articles of involuntary use.

Mr. NORRIS. If there is anything that is a necessity, it seems to me it is medicine that must be purchased in case of sickness. Moreover, the amount of medicine that must be purchased by the poor is just as great and the price is just as high as when purchased by those who can better afford it. Therefore, Mr. President, I move to strike out the paragraph; and, as I have already said, if the motion prevails, when we get to the free list I will make a motion to put the article on the free list, so that it will not fall in the basket clause. On my amendment I ask for the yeas and nays.

The yeas and nays were ordered, and the Secretary proceeded to call the roll.

Mr. CHILTON (when his name was called). I repeat my announcement of my pair with the junior Senator from Maryland [Mr. JACKSON]. If at liberty to vote, I should vote "nay."

Mr. DILLINGHAM (when his name was called). On this question I am paired with the junior Senator from Colorado [Mr. SHAFROTH], and therefore withhold my vote.

Mr. MYERS (when his name was called). I have a standing pair with the junior Senator from Connecticut [Mr. McLEAN]. In his absence I withhold my vote. If at liberty to vote, I should vote "nay."

Mr. REED (when his name was called). I transfer my pair with the senior Senator from Michigan [Mr. SMITH] to the senior Senator from Nebraska [Mr. HITCHCOCK] and will vote. I vote "nay."

Mr. THOMAS (when his name was called). I transfer my pair with the senior Senator from New York [Mr. Root] to the junior Senator from Oklahoma [Mr. GORE] and will vote. I vote "nay."

Mr. WILLIAMS (when his name was called). I am paired with the senior Senator from Pennsylvania [Mr. PENROSE]. He is absent. If he were present, I should vote "nay."

The roll call was concluded.

Mr. CHAMBERLAIN (after having voted in the negative). I have a general pair with the junior Senator from Pennsylvania [Mr. OLIVER]. In his absence, I desire to withdraw my vote.

Mr. ROBINSON. I desire to announce that my colleague, the senior Senator from Arkansas [Mr. CLARKE], is necessarily absent from the Chamber on important public business. He is, however, paired with the junior Senator from Utah [Mr. SUTHERLAND].

The result was announced—yeas 28, nays 40, as follows:

YEAS—28.

Bradley	Clark, Wyo.	Jones	Perkins
Brady	Colt	Kenyon	Pointdexter
Brandegge	Crawford	La Follette	Sherman
Bristow	Cummins	Lodge	Smoot
Burton	Gallinger	Nelson	Townsend
Cañon	Goff	Norris	Weeks
Clapp	Gronna	Page	Works

NAYS—40.

Ashurst	Kern	Ransdell	Smith, Md.
Bacon	Lane	Reed	Smith, S. C.
Bankhead	Lewis	Robinson	Stone
Borah	Martin, Va.	Saulsbury	Swanson
Bryan	Martine, N. J.	Sheppard	Thomas
Hollis	O'Gorman	Shields	Thompson
Hughes	Overman	Shively	Thornton
James	Owen	Simmons	Tillman
Johnson, Me.	Pittman	Smith, Ariz.	Vardaman
Johnston, Ala.	Pomerene	Smith, Ga.	Walsh

NOT VOTING—28.

Burleigh	Fall	McCumber	Shafroth
Chamberlain	Fletcher	McLean	Smith, Mich.
Chilton	Gore	Myers	Stephenson
Clarke, Ark.	Hitchcock	Newlands	Sterling
Culberson	Jackson	Oliver	Sutherland
Dillingham	Lea	Penrose	Warren
du Pont	Lippitt	Root	Williams

So Mr. NORRIS's amendment was rejected.

The reading of the bill was resumed and continued to the end of paragraph 45, page 11, as follows:

45. Oils, rendered: Sod, seal, herring, and other fish oil, not specially provided for in this section, 3 cents per gallon; whale oil, 5 cents per gallon; sperm oil, 8 cents per gallon; wool grease, including that known commercially as degrass or brown wool grease, crude and not refined or improved in value or condition, $\frac{1}{2}$ cent per pound; refined or improved in value or condition, and not specially provided for in this section, $\frac{1}{4}$ cent per pound; lanolin, 1 cent per pound; all other animal oils, rendered oils and greases, and all combinations of the same, not specially provided for in this section, 15 per cent ad valorem.

Mr. SMOOT. Mr. President, I should like to ask the Senator in charge of the bill why it is that the committee has increased the rate upon lanolin.

Mr. JOHNSON of Maine. Lanolin is an improved or refined wool grease. I think it came in as refined wool grease.

Mr. SMOOT. That is true.

Mr. JOHNSON of Maine. When marked as lanolin and imported as lanolin, a rate is provided here different from the rate on wool grease.

Mr. SMOOT. It is a refined wool grease, and under the present law, by a decision of the courts, it enters this country at one-half cent per pound. The committee increased that rate from one-half cent to 1 cent a pound.

I move, in the case of lanolin, to strike out "1" and insert " $\frac{1}{2}$."

Mr. BRISTOW. Mr. President, as I understand, lanolin, as has been said, is a refined wool grease. I should like to inquire why it is that as soon as the wool leaves the sheep's back the committee proposes to begin to tax the wool and its various by-products?

The same principle is involved here that was involved in the potato and dextrine discussion. Wool is put on the free list; that is, the product of those who produce the wool. It is the finished product of the farmer, the man who owns the sheep. When it leaves his hands it then takes a protective duty, not only in its principal products, but in its by-products as well.

I should like to know why it is any more desirable to put a duty on the grease that is extracted from the wool than on the wool before the grease is extracted.

Mr. GALLINGER. Mr. President—

The VICE PRESIDENT. Does the Senator from Kansas yield to the Senator from New Hampshire?

Mr. BRISTOW. I yield.

Mr. GALLINGER. If the Senator will permit me, this particular article is a medicinal preparation, on which it is proposed greatly to increase the duty—in fact, to double it. It is used very largely in medicine.

Mr. BRISTOW. As the Senator from New Hampshire says, this particular product of wool grease is a medicine.

Mr. GALLINGER. It has been so decided by the courts in a test case.

Mr. NORRIS. If the Senator will yield, I do not suppose he directed his query to me; but if no one else will answer, I will suggest that it seems to me it can be easily answered. The duty under consideration is levied against some one who is sick and helpless and can not defend himself. It is a good place to put it on.

Mr. BRISTOW. But, as I said in the discussion this afternoon, the gravest objection I have to this bill is its unwarranted discrimination. I should like to have some one who is in favor of the bill, if he will, tell me why the man who takes the grease from the wool is entitled to a protective duty on the grease when he gets it out, while the farmer who grows the wool on the back of the sheep is not given any protection on the wool and the grease.

Mr. JOHNSON of Maine. Mr. President, I will say that in the case of all of these rendered oils there has been a large reduction from the present duty. The rate in the present law is an average of 25 per cent ad valorem. The specific rates we fix here approximate 15 per cent ad valorem, so as to correspond with the provision at the end of the paragraph for greases not specifically enumerated in the paragraph. Lanolin before this bore a duty of 25 per cent. We made the duty 1 cent per pound, because the product varies largely in value, and that, as given here in the handbook, is a little over 8 per cent ad valorem.

Mr. SMOOT. The Senator must know that after the court decision as to what lanolin really was, it came in at one-half cent per pound.

Mr. JOHNSON of Maine. If it is marked as lanolin and comes in as a medicine, this duty applies. Put up as such, it comes in as lanolin.

Mr. BRISTOW. Does the Senator from Maine concede as correct the statement the Senator from Utah has made, that under a court decision the present duty on this article, lanolin, is half a cent per pound?

Mr. JOHNSON of Maine. It is 25 per cent ad valorem, as given in the handbook here.

Mr. BRISTOW. In the handbook, yes; but the Senator from Utah states that under a court decision the duty that has been collected and is now being collected is but half a cent a pound.

Mr. JOHNSON of Maine. When it could not be distinguished, was not marked as lanolin, and did not come put up as lanolin, it might come in as refined wool grease, so I have been informed by the importers, and then it bore a duty of half a cent a pound.

Mr. SMOOT. The Senator is wrong, because in the case of Koechl against United States the court decided that when it was a medicinal compound it came in at half a cent a pound. Since that decision it has always come in as a medicinal compound at half a cent a pound. Now the duty is increased 100 per cent.

Mr. JOHNSON of Maine. It seems from the book here that whatever came in in 1912 came in at a duty of 25 per cent.

Mr. SMOOT. I know the duty was 25 per cent before the court's decision, but since the decision, as the Senator will find if he will write to the New York appraisers, it has come into the United States at half a cent a pound under that decision.

Mr. HUGHES. Mr. President, it will still come in at half a cent a pound unless it is described as lanolin. Is not that correct?

Mr. SMOOT. No; if it is described as lanolin, it will come in at 25 per cent. That is the trouble with the bill. If you

will make that half a cent a pound, you will have the same rate that we have to-day.

Mr. BRISTOW. That, of course, the committee will doubtless correct. Evidently it is a mistake. I do not think they intended to double the duty that now prevails on this article. But my question, which I should like to have answered if any Senator will answer it for me, is as to why there should be a duty on the grease which is taken out of the wool when there is no duty on the wool.

Mr. JOHNSON of Maine. The same thing might be said of fish oil and the other rendered oils in the same paragraph. Fish is upon the free list in the bill, while the oil extracted from the fish by rendering bears a duty. The paragraph as we found it, as I say, bore a duty of 25 per cent ad valorem. We have reduced the duty to an equivalent ad valorem of 15 per cent, making no distinction between wool grease and fish oil and whale oil and the other rendered oils, but making a large reduction.

Mr. BRISTOW. I will leave the discussion of lanolin to other parties; but the Senator has stated the fact. I understand the fact. I understand that wool is on the free list. The objection I am offering is that the man who produces the wool and puts it upon the market, that being the result of his labor and his effort, is not protected, while—

Mr. JOHNSON of Maine. Will the Senator yield for a question?

Mr. BRISTOW. Certainly.

Mr. JOHNSON of Maine. Is it the Senator's position that whatever is made from an article that is on the free list should itself be on the free list? Does the Senator contend that in every instance where a raw material is upon the free list the manufactured product should be upon the free list?

Mr. BRISTOW. No; the Senator from Kansas never has taken any such position as that. The Senator from Kansas is undertaking to find out why, when wool—not every other article, but wool—is put on the free list, the grease that is taken out of the wool should be dutiable.

Mr. JOHNSON of Maine. The same question might be asked as to fish and all other animal oils. They are on the free list.

Mr. BRISTOW. Yes; but I am asking as to wool.

Mr. JOHNSON of Maine. They are on the free list, but the oils produced from them are on the dutiable list.

Mr. BRISTOW. I am not asking as to fish. The inquiry I make is in regard to wool.

Mr. CUMMINS. I should like to ask the Senator from Kansas, if he has looked into the matter, how it happened that in 1912 this commodity was worth 61.3 cents per pound, according to this statement, and it is estimated that for the future it will be worth only 12 cents per pound?

Mr. BRISTOW. If the Senator will look a little further he will see that in 1910 it was worth only 11 cents per pound.

Mr. SMITH of Georgia. The "6" has been put in the wrong place. It should be "13.6." It is evidently a misprint.

Mr. HUGHES. Yes; I noticed there was a misprint there.

Mr. CUMMINS. There are so many of these misprints that one does not know when to rely upon these figures.

Mr. SMITH of Georgia. It shows very clearly that it is a misprint.

Mr. BRISTOW. I am waiting for a reply from somebody responsible for this bill as to why a duty is put on the grease that is taken out of the wool when there is no duty on the wool. What is the principle of it?

Mr. JOHNSON of Maine. I have replied to the Senator. I see no difference between wool and any of the other articles from which greases and oils are extracted. We have placed a duty upon them here for revenue purposes and have not taken into consideration in this connection wool itself, any more than we have fish or cattle or any of the other articles from which oils are rendered.

Mr. BRISTOW. If this duty is imposed for revenue, does not the Senator think a duty on wool would be very much more productive of revenue than this?

Mr. JOHNSON of Maine. We are not discussing the question of wool. We are discussing oil and grease, and that is what I understood the Senator to discuss. We will come to wool later.

Mr. BRISTOW. I am very sorry, but I have been trying to find out why this article has a duty. The Senator states now that other oils have duties, and therefore this has; but I do not think the Senator put a duty on this simply because some other oil had a duty.

Mr. JOHNSON of Maine. Mr. President, I see no reason why the oil from wool and the oil from fish and cattle should not all be treated alike.

Mr. BRISTOW. Then I will ask why a duty is put on the oil of wool or of fish? Why should the man who takes the

grease out of wool or the oil out of fish be protected and the man that raises the sheep and shears the wool or catches the fish not be taken into consideration? Why should this discrimination be made?

Mr. JOHNSON of Maine. As a Yankee, I will do what a Yankee always has a right to do—answer one question by asking another. I will ask the Senator from Kansas again if he believes that wherever raw materials are free the articles manufactured from those raw materials should be free?

Mr. BRISTOW. No; I very readily answer the Senator. I do not think that principle is a sound one. I am not asking for any general proposition, however.

Mr. JOHNSON of Maine. Then why does the Senator insist that because wool is on the free list any oil or grease made from wool should be on the free list?

Mr. CUMMINS. Mr. President, I desire to call the attention of the Senator from Kansas to the fact that oils, generally speaking, are not on the dutiable list. If the Senator will turn to paragraph 566 of the free list, he will find that birch tar, cajuput, coconut, cod, cod-liver, cottonseed, croton, and several other kinds of oil that I shall not attempt to pronounce, many other kinds of oil, are on the free list. Why should not these oils also be on the free list?

Mr. SMOOT. And they cost more to extract than lanolin costs.

Mr. JOHNSON of Maine. In reply to the question of the Senator from Iowa, I will say that the oils enumerated in paragraph 566, as the Senator from Utah knows, are largely used in the manufacture of paints and varnishes. Chinese nut oil, soya-bean oil, and so forth, have always been upon the free list. We made a very heavy cut in all paints and varnishes, cutting them from 30 per cent to 15 per cent ad valorem. They have always had these oils which are used in making paints and varnishes upon the free list, and at this time, when we made this very deep cut in the duties on paints and varnishes, it did not seem fair to the committee to put their raw materials upon the dutiable list.

Mr. SMOOT. Can the Senator, then, give any reason why—

The VICE PRESIDENT. Let us go ahead in solos and not have duets.

Mr. BRISTOW. I yield to the Senator from Utah if he desires to be recognized.

Mr. SMOOT. Mr. President—

The VICE PRESIDENT. The Senator from Kansas yields to the Senator from Utah.

Mr. SMOOT. I was going to ask the Senator what excuse there is for putting expressed oils on the dutiable list, as has been done here, particularly those that have been mentioned, and then putting upon the dutiable list the distilled and essential oils that have been on the free list for years?

Mr. JOHNSON of Maine. I am very willing to answer the question. Those oils enter into the manufacture of perfumeries and articles which are luxuries, and which can well bear the duty. We have given a high rate upon perfumeries—a higher rate than in the Payne bill—but they go into articles which are luxuries.

Mr. SMOOT. Does the Senator say the committee has given a higher rate on perfumeries than was given in the Payne-Aldrich bill?

Mr. JOHNSON of Maine. It is about the same rate. We raised it from 50 per cent, I think, to about 60 per cent.

Mr. NORRIS. Mr. President—

The VICE PRESIDENT. Does the Senator from Kansas yield to the Senator from Nebraska?

Mr. BRISTOW. I yield to the Senator from Nebraska.

Mr. NORRIS. Referring particularly to the answer just made to the Senator from Utah by the Senator from Maine, when he says that the committee have placed the other oils mentioned on the dutiable list because they are used in the making of perfumery, which is a luxury—

Mr. JOHNSON of Maine. That was my answer.

Mr. NORRIS. Why should the committee raise the duty on the particular oil about which the Senator from Kansas is inquiring, and which, as I understand, is a medicine?

Mr. JOHNSON of Maine. We have not raised the duty; we have reduced the duty. When it comes in under the trademark "lanolin," and it does so come in, as a medicinal preparation, it has to bear the duty which is given here.

Mr. NORRIS. As I understand, the raw material out of which this product is made is placed on the free list.

Mr. JOHNSON of Maine. Yes.

Mr. NORRIS. Therefore that in itself would have a tendency to make it necessary, if you wanted to equalize it, to lower the duty on the product. It seems to me that this is an in-

stance where the theory of the Senator ought to operate practically to put this particular article on the free list; because, as I understand the facts, it is not only a necessity, but a necessity in case of sickness and distress.

Mr. JOHNSON of Maine. We have reduced the duty from 25 per cent to 8 per cent.

Mr. BRISTOW. But the court decision—

Mr. JOHNSON of Maine. I mean upon the article when it comes in under its trade name, "lanolin"; not as wool grease, but when marked "lanolin," and coming in as lanolin.

Mr. BRISTOW. I will let the Senator from Utah take care of the lanolin part of it. That is his amendment. I wish to get back to wool. I am rather persistent in regard to this item, because it illustrates the principle upon which the bill seems to have been constructed, and I have a very pronounced objection to that principle.

I made the statement this afternoon, in discussing the duty on potatoes and potato starch, that the bill seemed to be drawn for the special purpose of discriminating against the American farmer, the agricultural interests of the country. The cry was raised that potatoes were a food product necessary on every American table, and therefore that they should be on the free list.

Wool, I suppose, is put on the free list because clothing is made from wool; I suppose that will be the argument; and therefore it will have a tendency to cheapen the clothing. I repeat, because I want to get this in the mind of every Senator so that it will not escape him, wool, the product of the labor and effort of the American farmer, is placed upon the free list. He is given no protective duty whatever. But the very minute that the wool leaves the farmer, then not only is it on the protective list, but its by-products are on the protective list. The man who takes the wool and washes it and takes the grease out of it gets a protective duty by this bill for the labor he puts in the extracting of the grease from that wool. If he buys that wool abroad and ships it in he gets the same protective duty as against the foreign producer of the wool grease.

Mr. SHEPPARD. Mr. President—

Mr. BRISTOW. I yield to the Senator from Texas.

Mr. SHEPPARD. What duty would the Senator put on raw wool?

Mr. BRISTOW. I would put about 30 per cent if I were fixing it.

Mr. SHEPPARD. What duty would you put on clothing?

Mr. BRISTOW. Well, I should think if there was a duty on wool of 30 per cent, probably the duty in this bill would not be much out of the way. I voted for a wool bill last year prepared by the Senator from Wisconsin [Mr. LA FOLLETTE].

Mr. SHEPPARD. What duty did it put on clothing?

Mr. BRISTOW. On clothing, from 30 to 50 per cent.

Mr. SHEPPARD. And a duty on wool of about 29 per cent?

Mr. BRISTOW. Twenty-nine per cent.

Mr. SHEPPARD. Then why do you discriminate against the owner of the raw material by putting so much more on the finished product than on the raw material?

Mr. BRISTOW. Because there is more labor in the cloth.

Mr. SHEPPARD. But why make the discrimination?

Mr. BRISTOW. I undertake to compensate for the additional labor.

Mr. SHEPPARD. Exactly. A duty on the raw material always leads to a higher tax on the finished product.

Mr. BRISTOW. Of course, a duty on the raw material; but if you are imposing a duty on the finished product, why do you favor the man who takes the wool when he buys it from the farmer and protect him on up until the cloth is made and leave the farmer out of the proposition?

Mr. SHEPPARD. You make the same discrimination and a greater one.

Mr. BRISTOW. No; we make no similar discrimination at all. We give a protective duty to the woolgrower and then we add to that whatever is necessary to maintain the American standard of wages in the production of the articles made from wool.

Mr. SHEPPARD. You put a higher duty on the finished product than on the raw material.

Mr. BRISTOW. Of course that is necessary, but will the Senator from Texas answer me this question, since the Senator in charge of the bill seems to hesitate to do it: Why is the man who takes the grease out of the wool entitled to a protective duty when the man who produces the wool and sells it to the man who takes the grease out of it is without the protection of a duty?

Mr. SHEPPARD. A duty on the raw material compels a higher duty on the finished product for the very reason that

prompts the Senator when he puts a duty on raw wool to put a higher duty on cloth.

Mr. BRISTOW. The Senator is mistaken.

Mr. SHEPPARD. A higher duty, because it involves compensatory duty.

Mr. BRISTOW. The Senator is mistaken. This bill puts exactly the same duty on grease that the law now provides.

Mr. JOHNSON of Maine. No; it is a large reduction. The Senator is wrong.

Mr. BRISTOW. Let me see. I am going by these figures here. It may be wrong, but I will read it. Grease of wool, including a lot of other things here—

Mr. JOHNSON of Maine. It was a half a cent a pound and we made it a quarter of a cent a pound.

Mr. BRISTOW. It was one-fourth of a cent a pound in 1912 according to these figures.

Mr. SMOOT. A quarter of a cent is right.

Mr. BRISTOW. One-half of a cent and one-half a cent under grease of wool; that is, the crude grease refined. In one instance it is one-fourth in 1912.

Mr. SMOOT. In paragraph 290 of the present law the Senator will find the rate. It is a quarter of a cent, just as he states it. It says here—

known commercially as degreas, or brown wool grease, crude and not refined, or improved in value or condition, one-fourth of 1 cent per pound.

It is the same that it is here.

Mr. JOHNSON of Maine. The Senator is right. I have to confess I had the duty upon the refined.

Mr. BRISTOW. I would be glad if my friend from Texas should tell me why he is in favor of continuing protection on the fellow who takes the grease out of the wool the same in this bill as in the present law, while he does not continue the protection on the man who grows the wool.

Mr. SHEPPARD. I do not think we should approach tariff legislation from the standpoint of the man who gets a benefit from tariff duties, but from the standpoint of the American people as a whole. No man has a right to say that a tax shall be levied on any article he produces, but the American people have a right from the standpoint of their own good to say what article shall be taxed, even if that tax carries a benefit with it, and although some other article may be left without a tax. It is to the interest of the people at large to have taxes placed on the finished product rather than upon the raw material that enters into the finished product.

Mr. BRISTOW. Wherein do the people at large benefit by continuing the duty on wool grease?

Mr. SHEPPARD. As I understand it, the general principle underlying the bill is to put raw material where we can on the free list, because we are thereby enabled to reduce the duties more easily on the finished product.

Mr. BRISTOW. There is no reduction on wool grease, and that is the raw material for the manufacturer who buys it to use it.

Mr. SHEPPARD. That is an item of comparative unimportance so far as the entire bill is concerned. I am not familiar with the intricacies of the chemical schedule. My object in answering the Senator was to explain why we are endeavoring to put raw materials on the free list.

Mr. BRISTOW. All raw materials do not go on the free list.

Mr. SHEPPARD. I understand that. I am speaking of the general rule underlying the principle of free raw material.

Mr. BRISTOW. I am sorry that the Senator can not or does not undertake to answer the question as to why it is necessary to maintain the present duty on wool grease and not retain or place any duty on wool at all. Why is the duty put on wool grease?

Mr. SHEPPARD. Why do you put a higher duty on manufactured articles than you do on raw material?

Mr. BRISTOW. I have tried to explain that it is—

Mr. SHEPPARD. It is due to the nature of the manufactured articles, is it not, as compared with the nature of the raw materials? The Senator said something about more labor entering into the manufactured article, did he not?

Mr. BRISTOW. Yes; but then the raw material of this man is put on the free list, while his duty is maintained to just the extent that it was before.

Mr. SHEPPARD. That is true; but we can not apply our principles entirely at one effort. We are making these reductions on a conservative plan. The same reason which calls for the difference of duty between raw material and the manufactured article, to which the Senator refers, is the reason which I cite as prompting a higher rate on clothing than on raw wool.

Mr. BRISTOW. Now, let me see. The Senator is in favor of free raw material and a duty on the finished product. The

finished product of the farmer is the fleece of wool. That is the product of his labor. That is what he has to sell. Now, the Senator is not in favor of putting a duty on the finished product of the farmer because it happens to be the raw material of some manufacture, but whenever he gets to the finished product of the manufacturer then he is in favor of a duty.

Mr. SHEPPARD. Yes, Mr. President; in favor of a low duty on the finished product, because it is best for the American people to frame tariff laws in that way.

Mr. BRISTOW. Yes; it is in the interest of the American people, according to the Senator from Texas, to put the American farmer in competition with all mankind for what he produces as the result of his labor, but not to put him on the same basis when he buys the clothes that he wears.

Mr. SHEPPARD. He will get his clothing cheaper.

Mr. BRISTOW. He has to pay a duty on it because it passes through the hands of the American manufacturer.

Mr. SHEPPARD. I can not, of course, go entirely into the whole proposition the Senator is submitting now, but I understand the object of putting the raw material on the free list is to reduce the duty on the finished product as close to a revenue basis as we can, and thereby lighten the burden on the whole American people as far as we can.

Mr. BRISTOW. I see. Let us look at it again.

Mr. SHEPPARD. You give a compensatory duty for every tax you levy on the raw material.

Mr. BRISTOW. That is, the farmer is put on the free list with his wool. The Senator says that putting him on the free list makes it possible for him to get his clothing cheaper. He gives the manufacturer protection as soon as he gets the wool. It makes no difference what he does with it; everything from the time the wool leaves the farm until it is consumed in these various forms is made dutiable; there is a protective duty put on it.

The Senator says thereby the farmer gets his clothing cheaper. How much cheaper? Just as much cheaper as the duty on wool being taken off cheapens the product; that is, you deduct from the price of his clothes the amount you take from the price of his wool and leave him standing just where he was, taxed for the benefit of the manufacturer for every operation from the time the wool leaves the sheep's back until it is worn out by the farmer and his family.

Mr. SHEPPARD. But you always place an additional tax on the finished product when you put a duty on the raw material. I think that offsets any benefit the farmer may gain from the duty on the raw material.

Mr. BRISTOW. We give him the same advantage and apply to him the same rule that is applied to men engaged in other industries and we do not single him out alone and put him in competition with all mankind.

Mr. SHEPPARD. You single him out by deluding him with duties that are fictitious on most of his products. You not only oppress him with protective duties on what he buys, but insult his intelligence by trying to make him believe that the duties on most of his products are beneficial.

Mr. BRISTOW. Delude him with a fictitious duty? If the fictitious duty is of no good, if it does not increase the farmer's price, then why do you want to take it off?

Mr. SHEPPARD. In order to prevent you from insulting his intelligence any further.

Mr. BRISTOW. That is a very polite and intelligent answer from the distinguished statesman from Texas.

Mr. SHEPPARD. I am exceedingly obliged to the Senator from Kansas. I think that my answer will compare in intelligence with the luminous contribution he is making to this discussion.

Mr. BRISTOW. That is a very delightful way to get out of answering a question that can not be answered without admitting the grave injustice that is charged, that this bill apparently deliberately undertakes to deprive the American farmer of the advantage that he would receive from the protective tariff duties and still maintains upon the manufactured articles which he is compelled to buy these protective duties.

Mr. SHEPPARD. The Senator will not be able to make the American farmer believe a fallacy of that kind.

Mr. BRISTOW. That may be.

Mr. SMITH of Georgia. He is convincing us.

Mr. BRISTOW. The Senator from Georgia suggests that "he is convincing us." I understand the futility of this argument. When we were discussing the potato and dextrine duties, Senators rose on that side and said they did not believe this duty ought to be maintained as high as it was, but when the roll call came they voted to maintain it; that is, they voted against what they believe to be right. Senators may be willing to bind themselves in the secret chambers of a party caucus to vote against

their conscience, but I do not believe that it is a policy that will meet the approval of the American people.

Mr. REED. Mr. President—

The VICE PRESIDENT. Does the Senator from Kansas yield to the Senator from Missouri?

Mr. BRISTOW. I gladly yield to the Senator from Missouri.

Mr. REED. Of course, I can understand why a man without a party should object to any other man belonging to a party. I can also understand why a man unable to agree with his own party and unable to agree with himself should object to a number of men meeting and counseling together and agreeing upon a policy. But the thing that struck me with wonder and amazement as I have sat here this afternoon listening to the argument which the Senator from Kansas says in advance he knows will be futile, and therefore it would seem it ought not to be made, because a futile argument is a mere waste of time—

Mr. BRISTOW. Mr. President—

Mr. REED. The thing that struck me with surprise was how the American farmer struggled along in this country for some two or three hundred years before the Senator from Kansas appeared upon the floor of the United States Senate as guardian ad litem for all rural folk.

Mr. BRISTOW. Mr. President—

Mr. REED. I—

Mr. BRISTOW. Mr. President, I have the floor, I believe.

The VICE PRESIDENT. The Chair understood the Senator from Kansas to yield to the Senator from Missouri.

Mr. BRISTOW. I decline to yield any further.

Mr. REED. Well, Mr. President, in view of that statement I will quit the floor.

The VICE PRESIDENT. In view of that statement the Senator from Missouri is out of order.

Mr. BRISTOW. I am perfectly willing that the Senator from Missouri shall indulge in his oratorical pyrotechnics in his own time whenever he sees fit to indulge in such personalities. I shall be very glad to yield to him to answer this question. Why does the Senator from Missouri favor a duty on the grease that is taken out of the wool, when he does not favor a duty on the wool as it comes from the sheep's back?

Mr. REED. Mr. President—

The VICE PRESIDENT. Does the Senator from Kansas yield to the Senator from Missouri?

Mr. BRISTOW. Very gladly I yield, if the Senator can answer that question.

Mr. REED. I think that question is so easily answered that I am surprised the Senator has spent so much time wrestling with it.

In the first place, I might answer that if the Senator can just transport himself intellectually from the platform of the protectionist, levying a tax for graft purposes, to the position of the man who wants to levy a tax for revenue purposes, he will have no difficulty in understanding why a great raw material, used by all the people of the country, should go untaxed. If he will only remember that we have to levy taxes upon some articles in order to get revenue, he will have no great difficulty in understanding why we might have the temerity to lay a tax upon oil that happens to be extracted from wool.

That is a complete answer, I think, to the whole question; but if I might have the attention of the Senator from Kansas I should like to ask him a question.

Mr. BRISTOW. Just a moment, and I will yield to the Senator for that purpose. I understand the Senator is in favor of putting a duty on wool grease for revenue purposes.

Mr. REED. Yes; anything that we want to tax for revenue purposes, whatever it is.

Mr. BRISTOW. The duty collected on—

Mr. REED. I do not care whether the revenue derived from wool grease is great or small. I am not interested in that. If it is small it hurts nobody. If it is great it benefits us in revenue.

Mr. BRISTOW. The duty collected on wool grease last year was \$225,000, while, if I remember rightly, the duty on wool was about \$16,000,000, or several millions at least.

Mr. REED. Very well. Now, I should like to ask the Senator from Kansas a question from his protectionist standpoint.

Mr. JOHNSON of Maine. The Senator, I think, read the wrong figures when he gave the amount of duty collected. I think the Senator did not mean to read the figures on wool grease as he gave them.

Mr. BRISTOW. Grease of wool, crude, \$210,000.

Mr. JOHNSON of Maine. But that was the value of it; the duty did not amount to that.

Mr. BRISTOW. The duties amounted to \$26,000. I beg the Senator's pardon. The duty on wool was about \$14,000,000 last

year. So that, for the purpose of collecting revenue, I should think a duty on wool would be very much better.

Mr. REED. Certainly we could get more revenue from wool, but we do not choose to levy a tax on wool because it is an article of such general consumption and is so much of a necessity that we saw fit to take the tax off, particularly in view of the fact that under the protective tariff upon wool, which has been a tremendous burden to the American people, we have found the flocks and herds of this country, considered with relation to the population, constantly decreasing. We have also found that about 80 or 90 per cent of the sheep are owned by a few men in western States, and we have found that when we levied a tax upon wool that tax was added to all the other taxes levied on the finished product and finally was paid by the consumer eight or ten fold. Now, I should like to ask the Senator this question—

Mr. BRISTOW. Just a moment. Why does the Senator propose to tax cloth made from wool?

Mr. REED. Because we must have revenue. The Senator from Kansas seems to be utterly unable to understand that some things may properly be on the free list whereas others may properly be taxed.

Let me ask the Senator, Does he believe that nothing should be on the free list? Will the Senator just answer that yes or no?

Mr. BRISTOW. No; I have not taken any such position as that; certainly not.

Mr. REED. If certain things ought to be—

Mr. BRISTOW. Wait a moment.

Mr. REED. Let me ask the Senator another question. If certain things ought to be upon the free list, then you concede by that that all things should not be taxed, do you not? That brings us down simply to the question of whether wool is a thing which ought or not to be taxed; and that is a matter which lies in the future. Now, I should like to ask this question—

Mr. BRISTOW. Just a moment.

Mr. REED. If wool were taxed, as the Senator believes it ought to be—

Mr. BRISTOW. If the Senator will pardon me just a moment—

Mr. REED. I should like to finish my question.

Mr. BRISTOW. I should first like an answer to the question which I asked the Senator, and then I should be very glad to listen to his question. I asked the Senator why he favored a tax on woolen cloth and not a tax on wool, and I understood him to say it was because he wanted to get a revenue from the woolen cloth.

Mr. REED. Oh, no. The Senator from Kansas did not ask the question in that form, nor did he get that kind of an answer. He asked me why I favored free wool.

Mr. BRISTOW. No; I asked the Senator why he favored a duty on woolen cloth.

Mr. REED. I say to the Senator that I do not favor a duty on woolen cloth except on one principle, and that is that we must levy taxes in order to get revenue; and that is the reason the tax is levied in this bill.

Mr. BRISTOW. Why should it be levied on woolen cloth any more than on the wool?

Mr. REED. Has my friend from Kansas abandoned his grease proposition now?

Mr. BRISTOW. No; I am perfectly willing to—

Mr. REED. I want to take up grease for a little while.

Mr. BRISTOW. I am perfectly willing to go back to grease by and by, but the Senator from Missouri said, in answer to my question—at least I understood him to say—that he was in favor of free wool, because it was universally used by the American people.

Mr. REED. Yes.

Mr. BRISTOW. And then I asked him—

Mr. REED. And I will give the Senator another reason.

Mr. BRISTOW. I ask him why, if he is in favor of free wool, because it is universally used, he is in favor of a duty on woolen cloth which, of course, is also universally used?

Mr. REED. Because we must levy a tax upon some article in order to get revenue—

Mr. BRISTOW. So, the Senator—

Mr. REED. One moment—in order to get money to run the Government. We have levied it in this instance upon a finished product. By levying a duty upon a finished product you place the tax more lightly upon the people than when you levy it upon the raw material, for in that event the tax upon the raw material is carried on into the finished product, and it is multiplied by the profits that are added continually in the proc-

ess of manufacture, until the people actually pay eight or ten times the amount of the tariff levied upon the raw material. That is one reason.

I want to say that, of course, the Senator understands that when you come to levy tariff rates, unless you provide an absolutely horizontal rate upon everything, there will necessarily be this incongruity of which the Senator speaks. It has been in every bill that has ever been passed by a Republican Congress; it has been in every bill which the Senator himself has ever proposed, and he well understands that fact. I wanted to ask him this simple, little question in regard to grease—for I want to get back to grease, if I can get him there—

Mr. BRISTOW. First, let us get through with this and then let us go back to grease. The Senator has presented very clearly his view in regard to levying a duty upon the finished product of the manufacturer and eliminating it from the finished product of the farmer.

Mr. REED. Oh, that is a mere verbal dodge, Mr. President. The Senator understands the principle that if there is any benefit to the manufacturer out of the tariff which is levied there is an incidental protection. If that does tend to build up manufactures, if that theory be true, then that makes that much of a market to the farmer. That is the kind of argument you have been making for 50 years, and you can not get away from it now.

Mr. BRISTOW. Not quite for 50 years.

Mr. REED. Well, the Senator has not been individually making it for 50 years, but his party has.

I want to come back to grease, if I can get the Senator there.

Mr. BRISTOW. Wait until we get through with this. The Senator from Missouri is, therefore, perfectly willing that the manufacturer shall have the advantage of incidental protection, but he is not willing that the farmer shall have it.

Mr. REED. I am not willing that the manufacturer shall have the benefit of incidental protection unless it is something which necessarily follows the levying of the tax. So far as I am concerned, I never have voted, and I do not think I ever shall vote, for any measure to protect anyone; but so long as we have to levy a tax in order to get revenue it of course follows that there will be some incidental protection which can not be escaped.

Mr. BRISTOW. And in imposing a duty for revenue on rice and peanuts and articles of that kind there is an incidental protection the same as on cloth; but the Senator is not willing that the farmers who grow potatoes or the farmers who grow wool shall enjoy the benefit of that incidental protection which under his system the manufacturer receives.

Mr. REED. Mr. President, I am not willing that the great raw materials which go into and constitute the very essentials of life shall be burdened any more than possible. Therefore I am not in favor of a tax on iron ore, and if I should say that I were in favor of a tax upon the iron produced from the ore it would not mean that I was in favor of it because I wanted to favor the iron manufacturer over the owner of the ore, but it would simply mean that I was in favor of furnishing the American people with that which they have to consume at the least possible price. Beginning with that thought, the first conclusion a man arrives at is that so far as possible raw materials ought to be free. Therefore we make iron ore free; we make copper free—

Mr. BRISTOW. What about zinc and lead?

Mr. REED. And we make a great many other articles free. We have not carried it to every kind and variety of raw material, and in so far as we have failed to do that, because of the revenue which must be raised, we have failed to arrive at an ideal condition; but does it lie in the mouth of a representative of the party which has levied a tax two or three times as high as we propose in this bill to complain because our cuts are not deeper than they are? It seems to me that it is a case not only of Satan reproving sin, but it is a case of Satan reproving righteousness.

Mr. BRISTOW. That is an opinion to which I do not care to reply so far as that is concerned.

Mr. REED. It is an astounding thing to see a high protectionist stand on the floor of the United States Senate and denounce the Democrats because they do not make a further cut, when he knows that he is going to vote against this bill because, according to his ideas, it cuts too deep, and when he knows that he is going back to the State of Kansas to tell the people there that he is in favor of that policy of protection which, he asserts, lifts American manhood to a higher plane than is occupied by the people of any other country. It is an astounding thing to find men who voted for the Payne-Aldrich bill standing upon the other side of the Senate denouncing us because our

reform is not more complete and because our cuts have not been deeper.

Mr. BRISTOW. Mr. President, the Senator—

Mr. REED. I do not mean the Senator from Kansas voted for the Payne-Aldrich bill, but many Senators on the other side did vote for that measure.

Mr. BRISTOW. Mr. President, the Senator is wandering far afield in this discussion.

Mr. REED. And as I look every day at the Senator and recall that he was once in revolt against his party organization, and contrast his former revolutionary tendencies with his present amicable attitude, I am constrained to remark how beautiful and pleasant a thing it is for brethren to dwell together in unity.

Mr. BRISTOW. That is another one of the Senator's very telling arguments upon the merits of the duties in this bill.

Mr. REED. Of course I do not expect to please the Senator in logic, manner, or matter, but I want to bring him back to grease, if I can induce him to return to that delightful subject.

Mr. BRISTOW. I am perfectly willing to do so. The Senator says he is in favor of free iron ore. Is he in favor of free zinc and free lead?

Mr. REED. I voted for them in caucus.

Mr. BRISTOW. Will he vote for them in the Senate?

Mr. REED. No, sir; I propose to abide by the decision of the caucus.

Mr. BRISTOW. Right or wrong?

Mr. REED. No, sir; but with a bill of 4,000 items no man could be pleased with every item unless he wrote the bill himself, and I think probably there would be 4,000 different bills if there were 4,000 men to write them. Sensible men who are not entirely wedded to their own opinions are willing, for the sake of making some progress in the right direction, to concede something to the intelligence and patriotism of their associates, and I belong to the class that is willing to make that concession.

Mr. BRISTOW. Yes; I understand the Senator is in favor of caucus legislation, instead of legislation in the Senate.

Mr. REED. I am not in favor of caucus legislation, but I am in favor of men who believe in a certain policy agreeing upon that policy and in a practical way trying to carry it out, particularly when I find the men who are opposed to it acting in more perfect harmony and unison than they ever were able to get after they had a caucus of their own. There is a caucus that is more binding than a political caucus, and that is the caucus of the interests which have controlled the Republican Party and financed its campaigns for the last 25 years. There is a tie that binds more closely even than the honor of gentlemen expressed in a caucus, and that is the tie of the great capitalistic forces, which have made a cat's-paw and tool of the Republican Party for many years.

Mr. BRISTOW. And the bill which the Senator is supporting is more in the interest of those great financial interests than it is of the men who are in the grasp of those great financial interests.

Mr. REED. The Senator will have difficulty in demonstrating that.

Mr. BRISTOW. I propose to answer the Senator for a moment. I believe the bill which the Senator is now supporting puts on the free list articles not controlled by the great combinations of this country and retains a duty on articles which are controlled by the great combinations of the country, and the Senator knows it. The very item we are now discussing puts on the free list wool grown on the American farm and preserves a protective duty on the products made from the wool after it leaves the American farm.

Mr. WILLIAMS. Is there a wool-grease trust?

Mr. REED. If the Senator's vociferous voice and tragic attitude could only be preserved by the graphophone and the camera and exposed to the citizens of Kansas, they would understand at once what a gallant fight he has made in the Senate in their interests; but, Mr. President, they neither intimidate nor convince. As I heard the Senator lift his voice I thought of the old Biblical quotation which I think Elijah uttered, although I do not think I can quote it with exactness.

Mr. BRISTOW. I am surprised the Senator can not quote it correctly.

Mr. REED. I am sure if I were submitting it only to the Senator he would hardly know whether or not the quotation was correct.

Mr. BRISTOW. The Senator from Kansas assumes—

Mr. REED. But there may be some biblical scholars upon the other side, hence I desire to be reasonably exact. It runs something like this—

Mr. BRISTOW. The Senator from Kansas does not claim to be the expert student of Biblical affairs as is the Senator from Missouri.

Mr. REED. No, Mr. President; he has spent too much time on grease and wool to know much about theology.

Mr. BRISTOW. I think it would be more fitting in this debate if the Senator from Missouri would devote a little time to grease and wool, rather than to the style of argument in which he has been indulging in my time for the last 20 minutes.

Mr. REED. I am trying to sharpen my intellectual faculties by rubbing up against the Senator from Kansas. But, as I was about to say, when he lifted his voice to so high a pitch and poured it forth in such a resistless volume, I thought of what the old prophet said to some of the priests of Baal. In substance, he said to them—I do not claim to be exact—"Lift up your voices and cry aloud; your gods are afar off." I thought how well that applied in this particular instance—the false gods of the protectionist have been banished. But I want to bring the Senator back to grease, for that is the point from which we started.

Mr. BRISTOW. The Senator's style of oratory, in which he so much delights, is very agreeable to him and his associates. I do not myself like to indulge in that kind of rhetoric; I myself should prefer to argue the merits of this bill rather than indulge in personal observations.

Mr. REED. Why, Mr. President, if I have made a personal observation—

Mr. BRISTOW. If the Senator from Missouri has any argument to make or any reasons to assign in regard to the duties contained in this bill, I shall gladly yield him all the time he desires, but I do not care to yield time to have him indulge in the kind of oratory to which I have just been listening.

Mr. REED. Now, Mr. President, I would not have the Senator from Kansas on any account think that I have been personal. I hold him in too high esteem for that. I simply did not want the Senator from Kansas to advance upon me in a manner so belligerent, because it shocked my sensibility. I merely thought to give the controversy a pleasant turn.

Mr. President, I want to ask the Senator from Kansas a little, simple question. I have been trying to do it for half an hour. He complains that there is a duty placed upon the grease that comes from the wool, and not a duty upon the wool. Under the present law you taxed the wool, and you taxed the grease in the wool, did you not?

Mr. BRISTOW. There is a duty on wool, and the same duty on the grease that this bill carries.

Mr. REED. One further question: You claim, of course, that that duty upon the wool and upon the grease benefited the farmer?

Mr. BRISTOW. The duty upon the wool does, I think; yes.

Mr. REED. And upon the grease, because it was with the wool?

Mr. BRISTOW. The duty upon the wool.

Mr. REED. Does the Senator say that the farmer did not get the benefit of the duty upon the grease that was in the wool he took off the sheep?

Mr. BRISTOW. I do not think so. He has a duty on the wool.

Mr. REED. Did he not also get a duty upon the grease?

Mr. BRISTOW. He got the duty on the raw wool.

Mr. REED. Did not the wool have the grease in it?

Mr. BRISTOW. Why, certainly.

Mr. REED. The Senator's complaint seems to boil down to this: That we took the duty off the wool, which was one of the farmer's products, but we did not take it off the grease that is in the wool, which is also a farmer's product, and therefore we have been very wicked, because we did not entirely deprive him of all duty, not only on the wool, but on the grease.

Mr. BRISTOW. If the Senator will give me his attention for just a moment, he will find out that his argument would be a little more forcible if he would inform himself as to the facts.

Mr. REED. I shall be willing to sit at the feet of the Senator and get the facts.

Mr. BRISTOW. I do not ask the Senator to sit at the feet of anybody, but simply to read the document the committee has furnished him.

If the Senator please, there is in the present law a duty on wool. The bill which it is proposed to substitute for the present law puts wool on the free list. When the farmer sells the wool he has sold his product. The man that buys the wool begins to manufacture it into its various products. One of the by-products of the manufacturing process is grease. For the extraction of the grease from the wool the manufacturer is given a protection of a quarter of a cent a pound in the Payne-Aldrich bill and the same protection in the present bill.

My inquiry is, Why should the man who extracts the grease from the wool receive a protection of a quarter of a cent a pound for the work he performs in this operation, when the man who produces the wool itself receives no protection at all?

Mr. REED. Can not the Senator see this? I see it, or at least, I think I see it. It may be, as the Senator politely suggests, that if I knew more about the subject I would talk less. I may be entirely in the dark about the matter. But it seems to me that if there is a tax, not only upon the wool, but upon the grease that is in the wool, and that is a benefit to the farmer, if you take the tax off the wool itself, and the farmer comes to the market to sell his wool, he has that wool to sell with the grease in it, and if there is a tax left upon the grease in the wool which adds to its value, the manufacturer will naturally pay him a little more for the wool, because there is that tax upon the grease, provided there is anything in the Senator's theory that the tax increases the price. Now, the fact that the grease itself is not accessible until it has been extracted does not at all detract from the fact that if a man is buying an article a part of which is taxed, if the tax does increase the price, that benefit will go to the farmer.

Mr. BRISTOW. Will the Senator give me his attention for a moment?

Mr. REED. I do not care to argue the matter, but I will listen to the Senator.

Mr. BRISTOW. I shall be very glad if the Senator will give me his attention for a moment. I think I can show where he is wrong, and I think he will admit that he is wrong.

The farmer sells the wool to the manufacturer. The manufacturer buys the wool the world over. He gets it from Australia, from South America, and, we will say, from Ohio. There is no duty whatever on the wool. The farmer in Ohio competes with the farmers in the other countries of the world.

We will say that the wool reaches the city of Boston, and there it commands the same price for the same quality. The farmer receives no protection. The manufacturer takes the wool and begins to extract from it the grease contained therein. He gets a protection of a quarter of a cent a pound on the grease extracted from the wool that is produced in foreign countries just the same as he gets a protection of a quarter of a cent a pound on the grease extracted from the wool that is grown in this country.

So the woolgrower has no protection whatever and gets no benefit whatever from the protective duty that is imposed on grease; but the manufacturer who extracts the grease has a quarter of a cent a pound protection against the manufacturer in England who is extracting grease in the same way. So when the grease would be shipped from England to the United States it would pay that duty, while the wool shipped from England to the United States would pay no duty at all.

Does the Senator understand now that the farmer gets no advantage?

Mr. REED. No; I do not understand that. I understand just the converse of that; and if the Senator will listen to me I think I can show him that the converse is true.

Mr. BRISTOW. If the Senator can not understand that, I regret that I am unable to make it plain to him.

Mr. REED. It may be very plain to the Senator from Kansas and yet not so clear to others. It seems to me it is simply a question of degree.

If there is a tax levied upon the grease that is in the wool, the fact that there is shipped here from England wool containing grease, which is to be extracted by the manufacturer, and that that comes in free, may be admitted. But if all the grease in this country comes either from American wool or from wool that is shipped in here, then it follows that the protective tariff would have no effect whatever. But the minute the Senator says there is any grease to be shipped into this country in addition to that which comes in the wool itself the protective principle operates, and it operates to help increase the price of the American farmer's wool, because one of the things in that wool, to wit, the grease, is protected. So the Senator's argument only goes to the point that the protection is not all received by the farmer.

Mr. BRISTOW. Will the Senator yield to me for just a moment?

Mr. REED. I think that answers the Senator's question. I think the Senator sees the point.

Mr. BRISTOW. I want to show the Senator that it does not answer my question, and I think he will admit it.

Mr. WILLIAMS. Neither of the Senators is going to admit anything the other says.

Mr. BRISTOW. If the grease comes into the United States in the wool, it receives the benefit of no duty at all. Therefore the American farmer is in direct competition with the foreign

farmer in the production of the wool. If the grease is extracted in a foreign country, the foreign manufacturer who extracts the grease, if he shipped it to the United States in the form of grease extracted, would have to pay a duty of a quarter of a cent a pound. If he ships it in the shape of wool in the grease, he pays nothing.

The farmer is competing with the wool in the grease. The manufacturer who extracts the grease from the wool in the sale of the grease in this market is competing with the foreign manufacturer who has grease for sale, and not wool for sale. So the foreigner pays a quarter of a cent a pound duty to get his product into this market; but if it comes in here in the form in which it leaves the farm, there is no tax whatever upon it.

Mr. REED. I do not agree with the Senator. Now, will the Senator answer a question for me?

Mr. BRISTOW. I shall be very glad to do so if I can; yes.

Mr. REED. I should like to ask the Senator what is the population of the State of Kansas, approximately?

Mr. BRISTOW. It is about 1,700,000, as I remember, or 1,800,000.

Mr. REED. How many men who raise wool are there in the State of Kansas?

Mr. BRISTOW. I do not know.

Mr. REED. How many are there in that State who raise sheep?

Mr. BRISTOW. I do not know.

Mr. REED. Are there a thousand?

Mr. BRISTOW. I have not any idea. There are a reasonable number of farmers in Kansas that raise wool. It is not a great wool-producing country, however.

Mr. REED. All of the 1,700,000 people in the Senator's State consume wool, do they not, in some form? They wear it or use it in some form, do they not?

Mr. BRISTOW. I think they do; yes.

Mr. REED. The Senator thinks it is entirely proper, of course, for the sake of the 1,000 men who raise sheep in Kansas, to tax all the rest of the people in the State? For the sake of helping out the 1,000 farmers in Kansas who have a few sheep, the Senator thinks it is entirely proper to tax on their clothing the 1,700,000 people of the State who have not any sheep? The Senator thinks that is proper?

Mr. BRISTOW. Let me ask the Senator a question.

Mr. REED. Oh, I hope the Senator will answer my question.

Mr. BRISTOW. I will answer it by asking the Senator a question. How many woolen mills are there in the State of Missouri?

Mr. REED. There may be a few; I do not know. There may be a very few; but that does not answer this question.

Mr. BRISTOW. Hold on; wait until I get through. I think it does.

Mr. REED. Let us see if it does.

Mr. BRISTOW. Is the Senator willing to tax all of the people in Missouri who wear woolen clothing in order that the woolen mills may receive for their product a better price than they otherwise would receive?

Mr. REED. Why, undoubtedly I am not; and I stand on a logical ground. When I vote for a tariff bill, I vote for it because we must have revenue; and I am prepared to vote as rapidly as possible and as rapidly as the opportunity is afforded to stop collecting tariff taxes upon the necessities of life. I do not vote for a tariff bill in order to protect the woolen mills of Missouri. I apprehend that the extra price we pay for clothing and woolen goods in Missouri in one year would buy every woolen mill there is in both Missouri and Kansas. I vote for the tax because it is necessary to have revenue.

The Senator has not answered my question. Is he willing, for the purpose of slightly increasing the profits of a thousand woolgrowers in the State of Kansas, to put a burden upon the 1,700,000 people of the State who do not produce wool?

Mr. BRISTOW. If the Senator wants to put it that way—I do not look at it the same as he does—as long as the people are taxed on the cloth that they wear in order that we may raise revenue, I think the farmer should have the same incidental advantage that comes from the system of taxation which the manufacturer now has. From that point of view I certainly should not favor putting a duty on the manufactured product and not putting a duty on the raw wool, the finished product of the farmer.

To answer the question in a different way, I will say to the Senator that I believe the protective tariff policy has been and is an advantage to this country; that because of that policy we have better conditions here in our industrial life than other countries have. I am in favor of continuing that policy, upon the principle that American labor should have better wages

than labor in other countries, and the difference in the cost of producing the article here and abroad should be made up by a duty imposed at the customhouse.

I believe such a policy will contribute to the welfare of our country. That policy in parts of this bill has been, in my judgment, carried too far, and too excessive duties have been imposed. If the Senator believes in the policy of free trade, however, then my contention is that we should treat all the industries from the same standpoint and upon the same basis.

Mr. REED. I think the Senator is rather shifting his ground. I say that with great respect. The Senator's position is, as I understand, that he would levy a tax upon wool because there is some incidental protection given to the manufacturer. But that is not the principle upon which he acts. He acts upon the principle of protection; of levying a tax, not for incidental protection, but for protection itself.

Mr. BRISTOW. Yes; that is true.

Mr. REED. So the Senator has not squarely answered my question. I asked him if he was willing to tax all of the people of Kansas for the benefit of the 1,000 woolgrowers of that State. He now seeks to avoid that question by the claim that the protective system generally is a good thing. But the fact remains, nevertheless, that when the Senator votes for a tax upon wool, he does vote a tax upon 1,700,000 people in the State of Kansas, and he can benefit only a few farmers of the State. More than that, he votes it for the benefit of an industry that is so poor and so unproductive in the State of Kansas that not one farmer out of ten will go to the trouble of raising a single sheep upon his farm.

Moreover, the Senator knows that we can not raise in this country enough wool for the American people; that we have had a protective tariff on wool for half a century, and that protective tariff has been promoted by the worst and most corrupt lobby that has ever infested Washington—the wool manufacturers and the woolgrowers combining for that purpose. Notwithstanding all of this enormous tax levied upon the American people, the Senator knows that the sheep in this country have been disappearing, at least they have not increased as the population has multiplied. Besides, this tax is not for the benefit of an infant industry which may grow and may some time occupy the field and be self-supporting. On the contrary, the tax is for the benefit of an industry that is diminishing if not dying.

The Senator knows another thing. He knows that the Tariff Board reported that it cost something like \$1, or \$1.20, a pound, I believe, to produce wool on the farms of Ohio—I do not pretend to give exact figures—an enormous amount. He knows that the wool of this country is principally produced by a few wealthy men or wealthy corporations away out on the western plains of the country, and that their sheep are fed principally upon Government lands, or lands rented from the Indians for a mere pittance. He knows that when he talks about taxing the 90,000,000 people of this country upon raw wool, he is doing it for a very limited number of men indeed.

Now I want to ask the Senator a question, since he is on his feet. Is he not at this moment contending that we have reduced too low the tax upon manufactured woolen goods?

Mr. BRISTOW. No; I do not know about that. I have not given that part of the bill particular attention.

Mr. REED. Is not the tax proposed in this bill upon manufactured goods lower than the tax was in the bill that you voted against at the last Congress? Is it not lower than you are willing to go to-day? Yet the Senator stands here and criticizes us for levying a tax which I affirm it to be my belief is already so low he will not vote for it.

Mr. BRISTOW. The Senator has not been in the Chamber, of course, and knows little about what has been going on this afternoon except recently.

Mr. REED. I have been here for some little time.

Mr. BRISTOW. If the Senator had been here, he would know that I have not been complaining of that this afternoon. I may find there have been reductions greater than I think ought to have been made when we get to that schedule and debate it. I shall vote for the duties that I think we ought to have when we get to their consideration.

But what I have been complaining about this afternoon and all the afternoon is that the protective duties contained in the Payne-Aldrich bill on the items that have been under discussion are continued now in this bill; that the identical duties in the law which the Senator has so violently denounced are contained in the particular items under discussion in this bill, while other important products are put on the free list. I have complained of the unwarranted discrimination against the industries in this country that are not organized, that can not appear here in Washington with lobbies, concerning which the Senator so bit-

terly complains. The industries that can appear here, the lobbies that can organize and that are organized, are those that receive tariff favors in this bill, while the industries that can not organize are those that are sacrificed by being placed on the free list. That is the complaint I have been making this afternoon.

Mr. GALLINGER. Mr. President—

The VICE PRESIDENT. Does the Senator from Kansas yield to the Senator from New Hampshire?

Mr. BRISTOW. I do.

Mr. GALLINGER. If the Senator from Kansas has received a satisfactory answer to the question he propounded about three hours ago, I am going to ask the Senator from North Carolina if we ought not to adjourn or go into executive session at this hour.

Mr. SIMMONS. Mr. President, I am perfectly willing that that shall be done as soon as we have a vote on this paragraph. Yesterday evening, after discussing the question for a long time, until I thought we were ready to vote, we let it go over until this morning, and the whole discussion has been gone over again. So I insist that before we adjourn we shall take a vote on this particular matter.

Mr. GALLINGER. It has been understood that we would adjourn at 6 o'clock.

Mr. SIMMONS. I am perfectly willing to adjourn right now if we can take a vote on this question, and I suppose we can do it.

Mr. SMOOT. The Senator means on the item now under consideration?

Mr. SIMMONS. Yes; paragraph 45.

Mr. SMOOT. I will withdraw my motion to strike out "one" and insert "one-half," so that there will be no question about that.

Mr. BRISTOW. Do I understand that we are to vote on the amendment which the Senator from Utah offered?

Mr. SMOOT. I have just withdrawn the amendment.

Mr. SIMMONS. The Senator from Utah has withdrawn his amendment, I understand. I ask for a vote on the paragraph.

Mr. GALLINGER. I suggest to the Senator from North Carolina—

Mr. SIMMONS. If there is no amendment—

Mr. GALLINGER. That unless the tacit agreement which was entered into that we should meet at 12 o'clock and put in six hours of hard work is adhered to no unusual progress will be made with the bill.

Mr. STONE. We are not making unusual progress with the bill.

Mr. WILLIAMS. Will not the Senator from New Hampshire admit that the day has been wasted?

Mr. GALLINGER. I think we have not possibly done as much work as we ought to have done, but it has not been my fault.

Mr. WILLIAMS. The tacit agreement to put in six hours' work meant that something was to be done, and that the entire day should not be devoted to wool grease.

Mr. GALLINGER. I will say that if no Senator wishes to discuss the amendment further, I do not object to a vote on it.

Mr. SIMMONS. If the Senator from New Hampshire will permit me, I understand there is no amendment pending to the paragraph.

Mr. NORRIS. Mr. President—

The VICE PRESIDENT. May the Chair make a statement? The amendment has been withdrawn, paragraph 45 has been read, and no amendment is offered to it.

Mr. NORRIS. I desire to offer an amendment to it, and I want to preface it by saying that I do not want to cause any delay. I was willing to vote two hours ago. I move to strike out "1" and to insert "1½." I am willing to vote on it without further debate.

Mr. SIMMONS. Then, I ask for a vote on the amendment.

Mr. GALLINGER. If there is to be no debate I have no objection.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Nebraska [Mr. NORRIS]. The amendment was rejected.

EXECUTIVE SESSION.

Mr. BACON. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to, and the Senate proceeded to the consideration of executive business. After 10 minutes spent in executive session the doors were reopened, and (at 6 o'clock and 15 minutes p. m.) the Senate adjourned until to-morrow, Saturday, July 26, 1913, at 12 o'clock meridian.

NOMINATIONS.

Executive nominations received by the Senate July 25, 1913.

COLLECTOR OF CUSTOMS.

John O. Davis, of California, to be collector of customs for the district of San Francisco, in place of Frederick S. Stratton, whose term of office expired February 28, 1913.

NAVAL OFFICER OF CUSTOMS.

James H. Barry, of California, to be naval officer of customs in the district of San Francisco, in the State of California, in place of George Stone, resigned.

SURVEYOR OF CUSTOMS.

Justus S. Wardell, of California, to be surveyor of customs in the district of San Francisco, in the State of California, in place of Duncan E. McKinlay, resigned.

ASSISTANT SECRETARY OF THE TREASURY.

Charles S. Hamlin, of Massachusetts, to be Assistant Secretary of the Treasury, in place of James F. Curtis, resigned.

REGISTER OF THE TREASURY.

Adam E. Patterson, of Oklahoma, to be Register of the Treasury, in place of James C. Napier, resigned.

ASSISTANT TREASURER OF THE UNITED STATES.

William J. McGee, of California, to be Assistant Treasurer of the United States at San Francisco, Cal., in place of William C. Ralston, whose term of office expired by limitation May 24, 1912.

SUPERINTENDENT OF THE MINT.

Thaddeus W. H. Shanahan, of California, to be superintendent of the mint of the United States at San Francisco, Cal., in place of Frank A. Leach, superseded.

APPRAISER OF MERCHANDISE.

Ed E. Leake, of California, to be appraiser of merchandise in the district of San Francisco, in the State of California, in place of John G. Mattos, jr., resigned.

COLLECTORS OF INTERNAL REVENUE.

Joseph J. Scott, of California, to be collector of internal revenue for the first district of California, in place of August E. Muentner, superseded.

John P. Carter, of California, to be collector of internal revenue for the sixth district of California, in place of Claude I. Parker, superseded.

ASSISTANT ATTORNEY GENERAL.

George Carroll Todd, of New York, to be assistant to the Attorney General, vice James A. Fowler, resigned.

PROMOTIONS IN THE PUBLIC HEALTH SERVICE.

Asst. Surg. Herman E. Hasseltine to be passed assistant surgeon in the Public Health Service, to rank as such from August 7, 1913. This officer has served the required time in his present grade and has passed the necessary examination for promotion.

Asst. Surg. Lawrence Kolb to be passed assistant surgeon in the Public Health Service, to rank as such from August 5, 1913. This officer has served the required time in his present grade and has passed the necessary examination for promotion.

Asst. Surg. James P. Leake to be passed assistant surgeon in the Public Health Service, to rank as such from July 30, 1913. This officer has served the required time in his present grade and has passed the necessary examination for promotion.

Asst. Surg. Charles M. Fauntleroy to be passed assistant surgeon in the Public Health Service, to rank as such from June 13, 1913. This officer has served the required time in his present grade and has passed the necessary examination for promotion.

APPOINTMENTS IN THE ARMY.

MEDICAL RESERVE CORPS.

To be first lieutenants with rank from July 24, 1913.

James Crowe Burdett, of Louisiana.

James Bayard Clark, of New York.

William Elnathan Clark, of North Dakota.

Melvin Starkey Henderson, of Minnesota.

Harold Lyons Hunt, of New York.

William McCully James, of Virginia.

William Fletcher Knowles, of Massachusetts.

Daniel Francis Mahoney, of Massachusetts.

Scott Dudley Breckinridge, of the District of Columbia.

CONFIRMATIONS.

Executive nominations confirmed by the Senate July 25, 1913.

APPOINTMENTS IN THE ARMY.

FIELD ARTILLERY ARM.

To be second lieutenants.

Joe Eikel.
Charles Gardiner Helmick.
Herbert Slayden Clarkson.

PROMOTIONS IN THE NAVY.

Commander Josiah S. McKean to be a captain.
Commander Benton C. Decker to be a captain.
Commander Newton A. McCully to be a captain.
Lieut. Commander Andre M. Procter to be a commander.
The following-named lieutenant commanders to be commanders:

John T. Tompkins.
Ernest L. Bennett.
Roscoe C. Moody.
Lieut. Ernest J. King to be a lieutenant commander.
Lieut. Byron A. Long to be a lieutenant commander.
Lieut. (Junior Grade) Edwin A. Wolleson to be a lieutenant.
The following-named ensigns to be lieutenants (junior grade):

William W. Turner.
Joseph J. Broshek.
Clyde G. West.
David C. Patterson, jr.
Howard H. Crosby.
James McC. Irish.
John C. Cunningham.
Ernest W. McKee.
Dallas C. Laizure.
Rufus King.
Timothy J. Keleher.
Eddie J. Estess.
William H. Stiles, jr.
John L. Schaffer.
Edward G. Blakeslee.
Leland Jordan, jr.
Worrall R. Carter.

The following-named assistant surgeons to be passed assistant surgeons:

William L. Irvine.
Earle W. Phillips.
Gardner E. Robertson.
George R. W. French.
Asst. Paymaster Irwin D. Coyle to be a passed assistant paymaster.
Asst. Paymaster Paul A. Clarke to be a passed assistant paymaster.
Carpenter Ernest P. Schilling to be a chief carpenter.

POSTMASTERS.

CALIFORNIA.

Francis F. Wrenn, Newcastle.

COLORADO.

H. Reynolds, Greeley.

FLORIDA.

J. L. Geiger, Zephyrhills.
Gilbert M. Shepard, Blountstown.

GEORGIA.

Annie K. Bunn, Cedartown.
George Dansby, Rockmart.
William J. Webb, Canton.

ILLINOIS.

Thomas F. Enright, Hubbard Woods.
Edward C. Schweitzer, Leland.

INDIANA.

William C. Foltz, Bremen.
Patrick Sharkey, Shirley.

KENTUCKY.

C. E. Barnett, Earlington.

MASSACHUSETTS.

Patrick H. Haley, Chelmsford.

MICHIGAN.

Ray Maker, Bear Lake.
George H. Mitchell, Birmingham.

MISSISSIPPI.

Johnathan R. Moreland, Philipp.

MISSOURI.

James R. Bennett, Branson.
C. H. Brown, Auxvasse.
Nelson H. Cook, Forest City.
J. H. Guitar, Columbia.
S. A. Norrid, Puxico.
Abram Stephens, Troy.

NEBRASKA.

J. D. Bishop, Peru.

NEW JERSEY.

Joseph F. Farley, Cliffside.
John B. Hankins, Pemberton.
Waters B. Hurff, Bridgeton.
Wilmer J. Smith, Belvidere.
Charles T. White, Millville.
John W. Winter, Allendale.

NORTH CAROLINA.

D. Earl Best, Warsaw.
A. C. Link, Hickory.
John F. Saunders, Troy.
L. T. Sumner, Ahoskie.
Daniel L. Windley, Belhaven.

OHIO.

I. L. McCollough, Butler.
Charles H. Marshall, New Paris.

OREGON.

J. W. Boone, Prineville.
Iva E. Dodd, St. Helens (late St. Helen).
Marshall W. Malone, Linnton.

TENNESSEE.

Ira La F. Lemonds, Tiptonville.
Joel F. Ruffin, Cedar Hill.
R. B. Schoolfield, Pikeville.
William Thomas, Brownsville.

TEXAS.

W. D. Armstrong, Alto.
C. W. Bradbury, Kirbyville.
W. P. Boyd, Thurber.
E. R. Fleming, Victoria.
August R. Gold, Fredericksburg.
Charles Johnston, Goree.
C. E. Long, Jourdan.
J. P. Sharp, Tioga.
W. F. Sponseller, Fowlerton.
John C. Wood, Big Sandy.

VIRGINIA.

David W. Berger, Drakes Branch.
James S. Haile, Chatham.
D. F. Hankins, Houston.

WASHINGTON.

Jefferson P. Buford, Kelso.

WYOMING.

Nels Simpson, Cambria.

HOUSE OF REPRESENTATIVES.

FRIDAY, July 25, 1913.

The House met at 12 o'clock noon.

The Chaplain, Rev. Henry N. Couden, D. D., offered the following prayer:

Our Father, who art in heaven, by the light of the traditions and sacred story which have come down to us out of the past; by the revelations, incomparable life, and the sublime death of the Son of God; by the blood of the martyrs of liberty, truth, and justice; by the hopes and aspirations which come welling up in our hearts; by the persistent appeals of the still, small voice, make us true to our convictions as Thou dost give us to see truth, that we may add something to Thy glory and the good of mankind. For thine is the kingdom and the power and the glory forever. Amen.

THE JOURNAL.

The Journal of the proceedings of yesterday was read.

The SPEAKER. Without objection, the Journal as read will stand approved.

Mr. MANN. I object, Mr. Speaker.

Mr. UNDERWOOD. Mr. Speaker, I move that the House approve the Journal.

The SPEAKER. The gentleman from Alabama moves that the Journal be approved.